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NOTICE

Effective 1 January 1983, this report series is being reorganized and retitled the NEAR EAST/SOUTH ASIA REPORT. In addition to material on the Near East and North Africa, it will contain material on the South Asian countries--Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka--that presently appears in the JPRS SOUTH AND EAST ASIA REPORT.

14 December 1982

NEAR EAST/NORTH AFRICA REPORT

No. 2677

CONTENTS

INTER-ARAB AFFAIRS

- Agreement Between 'Arafat and Husayn Revealed
(Fu'ad Naim; AL-NAHAR AL-'ARABI WA AL-DUWALI,
18-24 Oct 82)..... 1
- PLO-Jordanian Rapprochement Analyzed
(Farid al-Khatib; AL-HAWADITH, 22 Oct 82)..... 3
- Abu-al-Walid's Assassination Said Part of Larger Israeli Plot
(AL-MAJALLAH, 9-15 Oct 82)..... 9

AFGHANISTAN

- Rebels Seen Keeping Soviets on Defensive
(Peter Scholl-Latour; RHEINISCHER MERKUR/CHRIST UND
WELT, 12 Nov 82)..... 12
- Karmal Seen Becoming More and More Unpopular
(KAYHAN INTERNATIONAL, 24 Nov 82)..... 15
- Number of Refugees Grows to Three Million
(KAYHAN INTERNATIONAL, 23 Nov 82)..... 16

ALGERIA

- More Sugar Production Needed To Meet National Needs
(EUROPE OUTREMER, Jun-Jul 82)..... 17
- Vegetable Oil Industry Examined
(EUROPE OUTREMER, Jun-Jul 82)..... 18

EGYPT

- Joint Scientific Research Described as Essential; Controls
Established
(AL-AHRAM, 1 Nov 82)..... 19
- Academy Chairman's Views, by Ibrahim Jamil Badran
Establishment of Controls

Trial of Former Ministers Accused of Corruption Urged (Muhammad Hilmi Murad; AL-SHA'B, 2 Nov 82).....	27
Youth Averse to Political Parties (Hassan Amer; THE EGYPTIAN GAZETTE, 11 Nov 82).....	31
Minister Discusses Egyptian Pound Crisis (THE EGYPTIAN GAZETTE, 12 Nov 82).....	32
Briefs	
Rises in Iron, Steel Production	33
Canal Planned To Irrigate Delta, Sinai	33

IRAN

Flurry of Comments Appear on Iraqi War (KAYHAN INTERNATIONAL, various dates).....	34
Information Chief on Strategy in Iraq	
Editorial on Revolution in Iraq	
Undersecretary on UAE Aid to Iraq	
Refutation of 'ECONOMIST' Article	
President on Role of Revolutionary Guards	
Prime Minister on Iraqi Debt	
Political Dealings of Ministers Critiqued (IRAN PRESS DIGEST, 14 Nov 82).....	41
Budget Policies Outlined for Various Sectors (IRAN PRESS DIGEST, 23 Nov 82).....	44
Disclosures of Soviet Defector Denied (IRAN PRESS DIGEST, 21 Nov 82).....	49
Mullahs Prepare for New Hard Bargaining on War (IRAN PRESS SERVICE, 18 Nov 82).....	50
'Do Not Be Fooled by Bazargan,' Clandestine Opposition Group Warns (IRAN PRESS SERVICE, 18 Nov 82).....	52
Paper Attacks 'Economic Terrorists' (IRAN PRESS SERVICE, 18 Nov 82).....	54
Tehran Radio Threatens Oman (IRAN PRESS SERVICE, 18 Nov 82).....	55
Prospects for Assembly for Revolution in Iraq Examined (IRAN PRESS DIGEST, 21 Nov 82).....	56
Biographies of Government Officials Published (IRAN PRESS DIGEST, 11, 23 Nov 82).....	58

Hakim Says Iraqis Support Establishment of Islamic Rule (TEHRAN TIMES, 25 Nov 82).....	61
Rafsanjani Elaborates on Duties of Assembly of Experts (TEHRAN TIMES, 24 Nov 82).....	62
U.S.-Engineered 'Coup' Forecast for Baghdad (TEHRAN TIMES, 20 Nov 82).....	65
Shaikh Ezzedin Says Khomeyni Losing His Grip on Iran (IRAN PRESS SERVICE, 18 Nov 82).....	66
Shah's Devoutly Muslim Nephew Warns of 'Red Clergy' (IRAN PRESS SERVICE, 18 Nov 82).....	67
Iranian Forces Will Outlast Iraqis, Says Exile Officer (IRAN PRESS SERVICE, 18 Nov 82).....	68
Tension Mounts Again Among Civil Servants (IRAN PRESS SERVICE, 18 Nov 82).....	72
Revolutionary Militia To Retain Command Authority (IRAN PRESS SERVICE, 18 Nov 82).....	75
Imam Claims Religious Minorities Respected (TEHRAN TIMES, 20 Nov 82).....	77
Yugoslav Media Praised for 'Unbiased Attitude' (TEHRAN TIMES, 6 Nov 82).....	80
More Realistic Propaganda Required Abroad (KAYAHN INTERNATIONAL, 22 Nov 82).....	82
Economic Advances Reported in Various Sectors (KAYHAN INTERNATIONAL, various dates).....	83
New Product of Carbon Company Copper Project Completed Upsurge in Industrial Production Post-Revolution Achievements	
Medics in West Germany Agree To Return to Iran (KAYHAN INTERNATIONAL, 23 Nov 82).....	87

LEBANON

Lebanese Information, Justice Minister Discusses Plans for Postwar Era (Roger Shikhani Interview; AL-NAHAR AL-'ARABI WA AL- DUWALI, 18-24 Oct 82).....	88
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Sa'ib Salam Discusses Lebanon's Future, Lauds Late Bashir al-Jumayyil (Sa'ib Salam Interview; AL-MAJALLAH, 30 Oct-5 Nov 82).....	94
Problem of Dealing With Palestinian Civilian Population Viewed (AL-NAHAR AL-'ARABI WA AL-DUWALI, 18-24 Oct 82).....	99
LIBYA	
People's Court Hands Down Various Verdicts (AL-FAJR AL-JADID, 10 Oct 82).....	101
Breakdown of Foreign Population (JAMAHIRIYA MAIL, 20 Nov 82).....	109
Briefs	
Airbus To Provide Engines	110
Land Reclamation Project	110
MOROCCO	
Expansion of Industrial Sugar Production, Crops Continued (EUROPE OUTREMER, Jun-Jul 82).....	111
Vegetable Oil Industry Analyzed (EUROPE OUTREMER, Jun-Jul 82).....	114
SAUDI ARABIA	
Soviet Role During Lebanese Crisis Analyzed (Husayn al-Shar'; AL-RIYAD, 20 Oct 82).....	117
SUDAN	
Unrest in Southern Sudan Cited (AFRICA CONFIDENTIAL, 20 Oct 82).....	126
TUNISIA	
Moalla Defends Sixth Plan (AN-NAHAR ARAB REPORT & MEMO, 8 Nov 82).....	128
UNITED ARAB EMIRATES	
Plans for New Petroleum Investment Firm Discussed (Khalifah al-Ghayth Interview; AL-MAJALLAH, 16-22 Oct 82).....	130
General Banking Situation, Role of Central Bank Described (AL-IATISAD WA AL-A'MAL, Oct 82).....	133

AGREEMENT BETWEEN 'ARAFAT AND HUSAYN REVEALED

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 285, 18-24 Oct 82 pp 6-7

[Article by Fu'ad Naim: "Seven Points of Bilateral Agreement in Amman Talks; Formation of Palestinian State from West Bank and Gaza Strip with East Jerusalem as Capital; Rejection of 'Jordanian Option' as Amman Acts in Stage One on Behalf of PLO"]

[Text] An accord on the format of a bilateral agreement was reached between King Husayn, the Jordanian monarch, and Mr. Yasir 'Arafat, leader of the Palestine Liberation Organization, AL-NAHAR AL-'ARABI WA AL-DUWALI announced last week. The secret agreement reportedly covered the Jordanian promise concerning the future of the West Bank and Gaza Strip following the probable Israeli withdrawal in the wake of Jordanian negotiations with Israel.

The King Hussein-PLO leader talks treated the major points in creating a Palestinian state linked in some manner with the Hashemite Kingdom. According to informed sources after long and arduous talks, an agreement was reached between the two sides, predicated on the following points:

1. Rejection of the "Jordanian Option," proposed by the Israeli Labor Party and based on the "Allon Plan," which calls for retention of Jewish settlement points in the West Bank and allows limited sovereignty in this territory.
2. Delineation of the "Palestinian Option" which guarantees Palestinian sovereignty over the occupied lands, with a stipulation of certain conditions in the initial stage concerning the safety, security and political orientation of this state.
3. The Palestinian state will include the West Bank and Gaza Strip and possibly a portion of northern Sinai. Egypt would be ready to yield this territory to a Palestinian state, according to informed sources. The state would also include East Jerusalem as its capital.
4. Minor modification of borders, may occur in order to reconcile the geo-political imperatives of the Palestinian identity with the security needs of Jordan and Israel.

5. Jordan will represent the PLO in the initial stage in anticipation of forming a joint Palestinian-Jordanian delegation to join the expected final negotiations.

6. Any proposed solution concerning the Palestinians must be acceptable as the "final solution" and guaranteed by the two superpowers.

7. In regard to reinforcing the Palestine Liberation Army, King Husayn and 'Arafat studied the feasibility of incorporating elements of the Palestinian fighters that retreated from Beirut and who hold Jordanian identification into that army. Moreover, the Palestine Liberation Army will be buttressed with combat equipment.

12225

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PLO-JORDANIAN RAPPROCHEMENT ANALYZED

London AL-HAWADITH in Arabic No 1355, 22 Oct 82 pp 27-28

[Article by Farid al-Khatib: "Jordan Inaugurates Genuine PLO Recognition; Husayn and 'Arafat Set Sail for Federation Or Confederation on the Ship of 'Common Destiny' Buttressing PLA to 5,000 Soldiers, Upgrading Its Training, Armament"]

[Text] In Amman, Mr. Zayd Al-Rifa'i, former head of the Jordanian Government, who is mentioned concerning the Middle East in the memoirs of Dr. Henry Kissinger, former U.S. secretary of state, spoke to me about the what was not discussed in the memoirs concerning the attempts at troop disengagement between the Jordanian and Israeli armies during the years 1974-1975. Rifa'i described how attempts ended in failure, in the following dialog:

Henry Kissinger: The disengagement plan advanced by you is vertical." We prefer the "horizontal" plan, i.e., from East to West--which is also preferred by Israel.

Zaydal-Rifa'i: It's the plan of Yigal Allon, the former Israeli foreign minister.

H.K.: Let's avoid names!

Z.R.: The "horizontal" disengagement plan, does it include East Jerusalem and the lowlands region?

H.K.: It does not.

Z.R.: Will the execution of the "horizontal" plan lead to the implementation of the first stage of Israeli army withdrawal?

H.K.: Rather to the implementation of the final stage of the Israeli Army withdrawal.

At this point, the head of the Jordanian Government exploded angrily, uttering a cutting remark to Dr. Kissinger.

Consequently, disengagement agreements were concluded between the Egyptian Army and the Israeli Army and between it and the Syrian Army, thereby leaving the Jordanian front without international forces separating the combatants. Kissinger deemed this situation a great mistake, according to his statement a few years later.

During the sixties, prior to the period of disengagement Israel proposed to Jordan sharing control of the occupied West Bank, leaving to Jordan local administration and internal security, with Israel retaining military control over the lands. Jordan rejected this offer. When the former Egyptian President, Anwar al-Sadat, in an Arab summit meeting questioned the Jordanian King about offers made to him concerning the future of the West Bank, the King's reply to that effect [reporting the above] amazed the Egyptian president. He said to Husayn: "Why then don't you recognize the Palestine Liberation organization?"

And that's how it happened. Jordan recognized the PLO in 1973 at the Algiers summit and extended it complete recognition in the Rabat summit in 1974. This was the first instance of recognition since the incidents of 1970-71 between the Jordanian Army and the resistance forces. It seemed that the resistance that was routed militarily from Jordan triumphed over it in both the Arab and international realms upon receiving Jordanian agreement to link itself with the destiny of the occupied West Bank and Gaza.

However, this was an inexact and incomplete analysis in that Jordan at the time wished to give the PLO the opportunity to recover the West Bank and Gaza in its own particular ways, after Jordan availed itself of the opportunity but failed to realize this goal. However, it had agreed to Security Council Resolution No. 242 following the June, 1976 war in return for a promise to implement this resolution within six months as was previously declared by King Hussein in a press conference with AL-HAWADITH.

When King Husayn met with U.S. President Ronald Reagan for the first time last year, he discovered it took a large portion of the talks to explain to the American President the difference between Jordan, Palestine and Israel, in that Reagan was fuzzy on the history and location of the three states.

Following the outbreak of the war in Lebanon between the PLO and the Israeli Army where the PLO scored a publicity victory, made political gains and manifested its military resistance, the bell tolled ushering in a transition period in the Reagan era from its first stage, described by a highly-placed influential American as that of the Hollywood of actors and Jews to the stage of "American interests." The Reagan Plan was then announced to secure peace between the Palestinians and Israelis through the establishment of "autonomy" for the Palestinians in the West Bank and Gaza in "conjunction" with Jordan, with the future of East Jerusalem to be hammered out around the negotiating table.

King Husayn promptly picked up the ball from Reagan, announcing the Reagan Plan to be "clearer and more courageous" than any other American plan up to now. He expressed his willingness to set up a "federation" between the Palestinian government and the Jordanian state after Reagan had previously announced following his election and before assuming office, that King Hussein would be the first head of state to visit him.

As to Mr. Yasir 'Arafat, head of the Executive Committee of Palestine Liberation Organization, in signing the document accepting the totality of the U.N. resolutions concerning the Palestinians which he handed to U.S. Congressman Paul McCloskey, he did not pick up the ball heading toward him from Reagan. By July 29, the Beirut battle had become apparent when the American President announced in his press conference U.S. readiness to recognize the PLO, based on previously-known U.S. conditions. Thus Abu-'Ammar (Arafat) neglected to pick up and carry the ball, although he was in a military and heroic position.

But 'Arafat, following his departure from Lebanon, arrived in Jordan on a visit to receive the "federation" ball thrown in his direction by King Husayn and to coordinate with King Husayn on how to run with the ball which had been passed to Husayn by Reagan.

Joint Husayn-'Arafat talks, followed by their joint inspection of Jordanian military installations, reached by the former in a car bearing the Jordanian flag and the latter in a car bearing the Palestinian flag. This, along with Abu-'Ammar's activities in Jordan, particularly his speeches to the PLO-affiliated "Badr" troops and in the PLO office court yard in Amman, heard by about 2,000 people, constitute genuine Jordanian inauguration of "official recognition" of the PLO. An announcement to this effect was previously issued when the PLO was designated as "the sole legitimate" representative of the Palestinian people. This genuine "recognition" occurred for the first time during this visit. Because Jordan enjoys a special relationship with the Palestinian land and people, its support of the PLO constitutes the most important support of the Arab world.

The Hussein-'Arafat talks went succeeded in erasing the effects of the "Black September" incidents on the relations between the two sides. The Jordanian King had paved the way for this on the eve of 'Arafat's visit by releasing 763 PLO fighters who were serving sentences in Jordan for their role in the 1970-71 incidents. There emerged a "special relationship" between the two sides, a pact to oppose the Zionist expansion, whereas the "Black September" incidents had succeeded in converting their relationship to that of adversaries, with one side pitted against the other, a condition from which Israel benefited more than anyone else.

Thus Arafat, following the talks that were based on the declarations of the Fez summit, announced, "Palestinian-Jordanian relations will proceed on their natural course, embodied by this historical truth which imperialism has always attempted to circumvent. Any doubts or departure from this truth will be deemed a historical violation."

Jordanian diplomatic sources told AL-HAWADITH that the talks, lasting four days, resulted in a rapprochement between Jordan and the PLO and gave substance to a conviction of "common destiny" felt on both sides. In regards to the end results, the two sides have placed an item on their agenda to discuss the future of the relationship to take the form of a "federation" or "confederation" between Jordan and the sought-for Palestinian state.

Of course one can not consider the "threshing bill," which is the Palestinian state, before paying the "harvest bill" with the withdrawal of Israeli Army from the West Bank and Gaza. This was considered the highest priority matter. What was agreed upon was considered a "declaration of principles," while the establishment of a federation or confederation was considered premature.

Khalid al-Hasan, a Central Committee member of Fatah told AL-HAWADITH that the PLO's mission is to restore sovereignty over the Palestinian land, to be exercised by the Palestinian state upon its establishment. The matter of confederation is linked to Palestinian sovereignty.

In commenting on the Arab opposition felt during the Jordanian-Palestinian talks, al-Hasan said the PLO policy is based on the interests of the Palestinian cause, not on Arab agreements or disputes, and on the basis of Palestinian freedom of action and unity.

According to observers, "federation" in the world as a rule exists between independent states. This is expected to be one of the most important points to arise when the matter of federation with Jordan is taken up in the debates of the next congress of the Palestinian National Council.

Husayn and 'Arafat discussed the mission of the "Committee of Seven," which emerged from the Arab summit at Fez, particularly the Committee's meeting with U.S. President and British Prime Minister Margaret Thatcher. "Understanding and coordination" were achieved between the two about the committee's mission. It was noted by Husayn and 'Arafat that the Reagan Plan does not specify the right of self-determination for the Palestinian people while it blocks the road to the establishment of an independent Palestinian state. Neither does it form a complete "political deal."

The Jordanian-Palestinian "Common Destiny" will not only confront the peace plans proposed for the region, but will also confront the dangers of the Israeli expansion, particularly in view of the Israeli incursion into Beirut, which constitute the first penetration of an Arab capital, where Israel tries to impose its political conditions as the price for withdrawal! Consequently, Hussein and Arafat agreed to increase the size of the Palestinian Army in Jordan to 5,000 soldiers and to upgrade the level of its training and armament. In this connection Abu 'Ammar announced that the PLO forces that were dispersed to nine Arab states after their departure from Beirut will constitute a "rapid deployment force" against the dangers of Israeli expansion into the Arab states.

Concerning the bilateral relationship between the two sides, it was decided to upgrade the level of representation in the Jordanian-Palestinian committee. A meeting was held under Mr. Arafat's leadership and the Jordanian Prime Minister Mudar Badran. As you know, in the past, the level of representation was confined to ministerial level when Hasan Ibrahim, Minister for Occupied Land Affairs led the Jordanian delegation and Mr. Hamid Abu-Sittah, member of the Executive Committee, led the Palestinian delegation. It was possible to solve a number of individual problems between the two sides.

The Jordanian-PLO rapprochement is viewed by Israel as constituting a direct danger to its existence. Informed observers interpret this Israeli position as a threat to Jordan, whereby King Husayn will receive the same treatment given to 'Arafat.

Such an Israeli position was no surprise. Israeli officials, beginning with Defense Minister Ariel Sharon, have lately espoused that Jordan is the sought-for Palestinian state. With this position they attempt to pit the Palestinian people against the Jordanian people and to prevent an alliance between them to confront Israeli expansion. At the same time, this position is based on Israeli ambition toward Jordan on the assumption that Jordan is a part of "Greater Palestine," which Israel considers to be the land of "Greater Israel." The 1967 war had barely ended when the then Israeli Defense Minister Moshe Dayan declared that one of Israel's mistakes in that war was not occupying the eastern heights of the Jordan River, which form an integral part of the Jordanian land.

Undoubtedly, the British, following World War I, plotted that Israel would occupy Palestine and the Palestinians would be removed to Jordan, especially [as inferred] from the meeting British Prime Minister Winston Churchill held with his aides in Cairo in 1921. However, the Palestinians have refused since 1948 to accept Jordan as its "alternative" homeland, as they have refused settlement in other Arab countries. The Fatah Movement and the Palestine Liberation Movement were founded as an expression of this Palestinian will and a proof of the failure of the British policy towards the Palestinian people and the Arab East, a condition that still bedevils the Middle East.

The current U.S. policy attempts to correct the British mistakes without giving up the principal U.S. mainstays in the region, while simultaneously the British policy attempts to aid the American policy of correcting the historical British mistakes, which have resulted not only in threatening the Middle East region but even Europe and the entire world.

Hence the importance of the PLO to Jordan, since the PLO constitutes a power to express the fact that the land where Palestinian rights [will be realized] is outside Jordan. Jordan can exploit this to advance the truth that Jordan is not the "substitute" land for the Palestinian people. Rather, Jordan is for the Jordanians and any land from which the Israeli occupation force is routed is for the Palestinians. At the same time, the Jordanian opening to the Palestinians is due to a domestic vacuum in Jordan, particularly following the failure of the Jordan-Syria unity plan and Iraq's involvement in the war with Iran.

The PLO can derive benefit from the international standing to which Jordan enjoys its effort to establish a Palestinian state. It is honorable for the PLO to restore the rights of the Palestinians from Israel not to gain alternative rights for them from another Arab country. The difficult solution alone will ensure victory. The easy solution is the road to fratricide and civil and factional wars.

At present one of the purposes of the "special relationship" established between Jordan and the PLO based on the conviction of a "Common Destiny" is for King Husayn to have an opportunity to strive for the establishment of a Palestinian state--the noblest of Arab goals. But if he fails (along with Abu Imar), in realizing this goal in stages, by means of a "peace offensive" against Israel, then this "peace offensive would provide Jordan with a protective screen against the dangers of the Zionist expansion. That is, Husayn will have a part in either establishing "peace" or "steadfastness". And within the wide distance that exists between "victory" and "steadfastness" King Husayn departs next month for his meeting with Reagan, leaving behind him the record of failures, considering that "offense is the best means of defense."

12225

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ABU-AL-WALID'S ASSASSINATION SAID PART OF LARGER ISRAELI PLOT

London AL-MAJALLAH in Arabic No 139, 9-15 Oct 82 pp 21, 22

[Article: "Assassination of Abu-al-Walid Part of Israeli Plot: Resistance Received From European Nation List Prepared by Israeli Intelligence Containing Names of Palestinian Officials Who Are 'Candidates' for Assassination"]

[Text] The military apparatus of the Palestine Liberation Organization received a severe blow last week when the "Zionist killers and their agents" assassinated Colonel Sa'd Sa'il (Abu-al-Walid), the highest ranking officer of the Palestinian resistance and the most experienced militarily, in the upper Biga' Valley in northern Lebanon. Thirty men armed with machine guns and rocket propelled grenades attacked a convoy which included Colonel Sa'il who was returning from an inspection tour of joint Palestinian-Lebanese positions concentrated in the Biga'.

Sa'il was gravely wounded in an ambush which was set up in Raya near Ba'labakk. He was then immediately transferred to the Al-Muwasah Hospital in Damascus where he died a few hours after his arrival. Eight of his comrades were also wounded in different degrees.

Abu-al-Walid, a member of the Central Committee of Fatah, has been named a martyr by the organization. Fatah accused "the Zionists and their agents" of assassinating him and promised that "his blood will not have been spilled in vain."

Abu-al-Walid was the right hand man of Yasir 'Arafat, chairman of the Palestine Liberation Organization who cut short a visit to Saudi Arabia to go to Damascus to participate in the burial of the martyr's body. Abu-al-Walid was a member of the General Command of al-'Asifah (the military wing of Fatah) which Arafat heads. He was elected a member of the Command during the fourth Fatah conference which was held in 1970. Abu-al-Walid was also elected to membership in the Central Committee of the "movement."

Abu-al-Walid (50 years old) was a son of the West Bank, the Nabulus district. He joined the Jordanian Army in 1951 and gradually advanced until he attained the rank of colonel, after participating in officer's training courses in Jordan and a number of Arab countries and specialized courses in England and the United States.

Before he officially joined the Palestinian resistance in 1970, Abu-al-Walid was commander of the Husayn brigade in Jordan. He was known for his sympathy for the Palestinian resistance during the time that it was centered in Jordan before 1971. He then assumed command of the Yarmuk forces which were included, with his leadership, among the ranks of the resistance. He was elected a member of the Revolutionary Council of Fatah during the movement's third conference which was held the following year.

After the outbreak of the Lebanese Civil War in 1975, Abu-al-Walid assumed leadership of the operations center of the joint forces and remained in this position until the date of his martyrdom.

In addition to his position as the chief of staff of the Palestinian forces, Abu-al-Walid was also a member of the Western sector command which operates in the occupied territories. This sector is led by Abu Jihad, a member of Fatah's Central Committee and also of the command of al-'Asifah.

'Arafat entrusted him with a number of critical missions including a visit to Iran, together with Hani al Hassan, a member of Fatah's Central Committee, to negotiate with the Iranian government for the release of the American hostages being held in the U.S. Embassy in Tehran. The PLO had received the request for mediation from the United States itself.

Before Israel's invasion of Lebanon last June, Abu-al-Walid participated in the membership of a committee which was formed to draw up a joint Syrian--Palestinian strategy. Abu-al-Walid was among those who expected the Israeli invasion months before it began. He confirmed this in an interview with AL-MAJALLA.

Before the beginning of the Israeli invasion of Lebanon, Abu-al-Walid also undertook secret trips of a military nature which included a visit, accompanied by Abu Jihad, to some Arab countries and visits to East European countries to conduct discussions concerning arms acquisitions.

He held the primary responsibility for securing, in the face of the invading Israeli forces, the defense of Beirut where the Palestinian and nationalist Lebanese fighters demonstrated rare bravery and courage. Moreover, he played a significant and basic role in negotiations which were conducted between the Lebanese government and the Palestinian resistance during the siege of Beirut. He also headed the Palestinian side of the joint Lebanese--Palestinian commission which laid down a plan for the departure of Palestinian forces from Beirut. Abu-al-Walid was the last of the Palestinian commanders who left Beirut within the framework of the plan. He went to Damascus, but 1 week after his departure from Lebanese territory he returned there to immediately begin operations to reorganize a concentration of Palestinian forces in the Biga'. He constantly travelled in this region. Abu-al-Walid was considered to be one of the most ardent proponents for organizing a Palestinian army along the lines of the Algerian liberation army, and was the originator of the idea of establishing armored forces within the Palestinian resistance. He had personally contracted with Hungary for the acquisition of Soviet-made T-34 tanks.

Abu-al-Walid was exposed to several assassination attempts. His headquarters in Beirut was the target of Israeli bombing during the brutal attack on the Lebanese capital in July of last year.

During the siege of Beirut, four of Abu-al-Walid's headquarters buildings in the Burj Abi-Haydar and al-Qantari districts were exposed to Israeli bombings.

Abu-al-Walid was one of the foremost targets of the Israelis during the siege of Beirut. Israel attempted to assassinate some of the most important Palestinian leaders in response to the killing of a number of her military commanders during the resistance's challenge to the invasion. However, none of the Palestinian leaders of a rank equivalent to Abu-al-Walid, were martyred during the siege. A number of Palestinian military leaders of secondary rank, however, were killed in battle, such as Colonel 'Azmi al-Saghir, who fought a legendary battle which took place in Tyre, and Colonel Abdullah Siyam.

AL-MAJALLAH has information to the effect that the assassination of Abu-al-Walid represents the beginning of an Israeli plot to eliminate a number of Palestinian leaders. Palestinian sources for AL-MAJALLAH have said that the leadership of the Palestine Liberation Organization has received a list from friendly West European countries, drafted by the Israeli intelligence, which includes the names of candidates for assassination. These sources have also noted that the list also includes a number of PLO officials living abroad including the official in charge of the Paris office, Ibrahim A'-Sus.

The sources firmly believe that Israel wants to confuse the PLO before it can reorganize its ranks. Israel sees such terrorist operations as the best method for achieving this goal.

The sources believe it is likely that Israel will try to make some of these expected assassinations appear to be the result of internal Palestinian conflicts.

9652
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REBELS SEEN KEEPING SOVIETS ON DEFENSIVE

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 12 Nov 82 p 7

[Report by Peter Scholl-Latour]

[Text] The battles we are told about and which have caused heavy losses among the Mojahedin as well as the Soviets are all taking place in a relatively small area around the capital of Kabul. One location that is cited over and over again is the strongest Soviet military base of Bagram about 30 kilometers north of Kabul where Afghan government troops and their Soviet protectors effectively countered the efforts of their obstreperous foe. No one had ever expected the Mojahedin to reach a point of defeating the Soviet occupation forces in their vital command centers or strongholds or even to keep them pinned down. The superiority of the occupation army which by now probably numbers 100,000 men is of course arrayed with all of its materiel and power along the transport route leading from the Soviet border in the North past the city of Kunduz and the 3000-meter high Salang Pass to Kabul. The fact that the insurgents are at all capable of engaging in battle in the immediate vicinity of the heavily fortified airfield at Bagram says a lot about the narrow limits within which the Red Army must operate as it tries to pacify the country.

During the summer, the pro-Soviet government of President Babrak Karmal tried to storm the partisan stronghold in the Panjshir Valley several times. Russian airborne units landed from helicopters to try to take out and smoke out this concentration of resistance fighters who had been leaving their mountain ravines and were coming dangerously close to the hairpin turns leading to the Salang Pass. After some initial gains, this action directed against the Panjshir Valley may now be termed a failure. The partisans eluded the Soviet pressure and the forces of the Karmal regime could hold on to the villages they had captured for just a short time. On the other hand, it is less than flattering for Soviet strategists that the small resort town of Paghman at the edge of the insurrectionist province of Parwan—only 20 kilometers from the capital—is still being mentioned as a focal point of the fighting—a place diplomats accredited to Afghanistan used to go to on Sundays for a picnic.

It seems as though the Russians are still in control of the big ring road that goes from Kabul via Ghazni and Kandahar to Herat and then on to the Iranian border. But this is restricted to the daylight hours; no convoy would dare take to this road by night. The Russian military leadership in

Afghanistan is still faced with a stalemate. Most of the provinces—in fact almost the entire country—outside the big cities and the indispensable transportation routes are controlled by the mojahedin. The successes that are being reported from around Kabul and Bagram are basically defensive victories which make the hard-to-catch enemy behave after a fashion but which never really bring him to bay.

Of course the Afghan "résistance" is as chaotic and split as the country itself. Even after the Islamic-fundamentalist exile groups formed something of a coalition in Peshawar there is no centralized organization of the resistance visible on the ground. It even seems as though the rivalries between the different groups have frequently turned into blood feuds again in the recent past. The spartan Hezb-e-Islami group led by strictly religious partisan chief Gulbuddin Hekmatyar above all has repeatedly tried to assume a leadership role. This "Islamic party" wishes to establish a strict and pure theocracy in Afghanistan based on the ideal precepts of early Islam and calling for social conformity among all believers be they feudal lords or Central Asian "marabus." But this platform of theirs has met with instant distrust and antagonism among the traditional tribes and clans as well as a segment of the conservative Islamic clergy insofar as one can call the Sunni imams such. Another thing that militates against the international reputation of Hekmatyar, "the engineer," is that his supporters are in the business of hunting down and exterminating the "enemies of God" who belong to the partly Marxist and partly Maoist "Sama" resistance group, since these leftwing intellectuals enjoy a great deal of support in the West. The Saudi Arabian and Egyptian emissaries, based in Pakistan, who try to lend modest financial support and to coordinate Afghan resistance do not have much sympathy for a radical Islamic movement which is anti-American as well as anti-Russian and views the friends of the United States in the Middle East with disdain.

As a consequence, the Hezb-e-Islami has a bad time of it in the badly split tribal landscape of Afghanistan where fealty toward feudal lords and the tribal instinct still count for a great deal. Thus Babrak Karmal will not be faced by a united front of adversaries in the foreseeable future. His most reliable coalition partner is the disunity among the mojahedin. But the pro-Soviet government side is deeply split as well among supporters of the Khalq and the Parcham wings which engage in fierce battles in the center of Kabul and thereby drive the Russians to distraction. In a way, the inner split also is a boon to the resistance movement—as strange as that may sound. Recently, the Karmal government's security forces succeeded in cornering and killing a major resistance figure right in the heart of the capital. If the mojahedin were a centralized organization, such a loss would have had serious consequences.

But the Soviet Union must deal with a Hydra that keeps on growing new heads. The anarchic state of the resistance serves as its best protection against a rational way of combating it. To cite just one example: how do the Russians expect to get the better of a Mongol, Shiite people like the Hazaras who inhabit an inaccessible mineral region in the heart of Afghanistan, leading an

autonomous existence and sympathizing with the religious ideas of Kohmeini? A partisan war of Afghan proportions simply cannot be won in this day and age with 100,000 soldiers. The overwhelming material superiority of the Soviets is not enough to make up for their lack of numbers.

Also--the time is past when the Soviet Union could appear in its own eyes as the proponent of an invincible ideology of the future for Central Asia. Marxism-Leninism is not worth very much any more in the Third World--least of all among the pious Moslems who view the "green revolution" of Islam as the beacon of hope for mankind.

9478

CSO: 4620/11

KARMAL SEEN BECOMING MORE AND MORE UNPOPULAR

Tehran KAYHAN INTERNATIONAL in English 24 Nov 82 p 4

[Text]

KARACHI, Nov. 22 (Dispatches) — Nearly three million Afghan refugees have been driven into Pakistan by the Soviet Union's military intervention in their country and the number is growing, President Muhammad Zia ul Haq announced yesterday. Zia told reporters that the official tally of Afghan refugees in his country was 2.8 million, but the real number could be higher because many had not registered.

He said the flow of refugees was linked to the activities of Soviet troops who entered Afghanistan in force to install Babrak Karmal.

Soviet and Afghan troops fought several major battles with Afghan Muslim rebels in the summer months of this year, some of them in the strategic Panjsher valley north of the capital, Kabul.

Afghan resistance sources in Peshawar, capital of Pakistan's northwest frontier province, said today that large contingents of troops and armor were moved last week to Afghanistan's eastern Ningarhar Province bordering Pakistan.

The sources reported heavy fighting between troops and Afghan Mujahideen in the Surukhrod district of Ningarhar. Soviet bombing destroyed many houses in the area, they added.

President Muhammad Zia ul-Haq also denied reports that he met Afghan President Babrak Karmal during his visit to Moscow

for the funeral of former President Leonid Brezhnev.

Talking to press here on the occasion of the arrival of the Rumanian President Nicolae Ceausescu, President Zia said that the foreign press reports that the had met President Karmal in Moscow were false.

Later at a banquet hosted in his honor by the Pakistani leader.

President Ceausescu said that the Afghan issue should be resolved through peaceful negotiations, ensuring the independence and sovereignty of the Afghan people.

The Romanian president also said he supported the creation of an independent Palestinian state and called for the withdrawal of Israeli troops from Lebanon.

Ceausescu said it was a matter of deep concern that the principle of non-intervention, indispensable to the independence and freedom of all nations, had been flouted in Afghanistan.

The president said the Afghan problem had brought great suffering to the people of Afghanistan and forced 2.8 million Afghans to take shelter in Pakistan.

"We have associated ourselves in all sincerity with the process of indirect talks with Afghanistan through the intermediary of the U.N. Secretary General's representative (Diego Cordovez) for a comprehensive solution of the Afghan problem," President Ceausescu said.

NUMBER OF REFUGEES GROWS TO THREE MILLION

Tehran KAYHAN INTERNATIONAL in English 23 Nov 82 p 3

[Text]

TEHRAN, Nov. 23, (IRNA) — Four Afghan officers from Brigade 33 of Division 17 who were captured by Afghan Muslim fighters in Band Sabzak in the province of Herat told IRNA that Karmal's government would collapse in less than an hour in the event of the withdrawal of the Soviet troops from Afghanistan.

The officers told IRNA correspondent in the liberated Afghan territory that:

"Prisons in Afghanistan are filled to capacity and basements of hotels and other large buildings are now used as cells for confining prisoners. In many towns, Muslim militants have control of the situation."

One of the officers said Soviet officers disguised as Afghan soldiers act as Karmal's personal body-guards and security officers.

"Foreign military training is a must for Afghan officers and in case the officers of the armed forces refuse to accept a foreign assignment for military training they are subject to punishment," said another of the officers to IRNA.

Political officer in charge of Brigade 33 of division 17 said: "I

personally witnessed the bombardment of Karkh and Sang-Bast in the province of Herat, during which the Soviet army used cluster bombs in which 17 civilians were martyred. But because the personnel of the armed forces in Afghanistan have realized that the revolt of the people against Karmal's government is a campaign between Islam and unbelief, they join with the Muslim revolutionaries at any possible opportunity...

"The Kabul government conscripts even 12-year-old boys and very old men, although they are unable to carry even a single rifle on their shoulders..."

"Every year between 6,000 to 10,000 personnel of the armed forces of Afghanistan and others who are attached to the regime are sent to the Soviet Union for military training..."

"The Islamic Revolution in Iran has given hope to the Afghan Muslims about the eventual triumph of the Islamic Revolution in Afghanistan... We consider Iraq has encroached upon the Islamic Republic of Iran, in collusion with the world imperialism and zionism."

CSO: 4600/121

MORE SUGAR PRODUCTION NEEDED TO MEET NATIONAL NEEDS

Paris EUROPE OUTREMER in French No 629-630, Jun-Jul 82 p 16

[Text] The Algerian sugar industry has made progress in the past few years. The country has begun to build sugar mills and refineries in order, in the long run, to achieve relative independence in its supplies, but at the present time, national raw materials are far from able to meet local needs. According to statistics from the Ministry of Planning, sugar beet production totaled 93,300 tons in 1978-1979 and 49,400 tons in 1979-1980. According to SOGEDIA [Food Industries Management and Development Company], sugar production from beets grown was 4,010 tons in 1980. In contrast, production capacities are: sugar beet processing, 300,000 tons a year; brown sugar refining, 231,000 tons a year; sugar packing, 147,050 tons a year. According to SOGEDIA also, local production of refined and lump sugar was 158,942 tons in 1980, compared with a consumption of some 500,000 tons. Algeria therefore imports granulated white sugar and brown sugar for local refining.

Established by a 1972 order, the Food Industries Management and Development Company (SOGEDIA), a national company, is to be reorganized into three national production enterprises, while the distribution of products will become part of the master plan for commerce. The sugar industry is now comprised of four units: the El-Khemis and Guelma sugar mills and refineries, the Mostaganem refinery and the Sfisef packing plant. The El-Khemis sugar mill-refinery put its mill, with a capacity of 150,000 tons for the annual 100-day season, into service in 1966; the refinery in 1970. The lump sugar plant should reach a production of 25,000 tons a year. The capacity of the Guelma sugar mill (1971) and that of the lump sugar plant are the same as at El-Khemis, while the refinery is designed for a production of 60,000 tons a year.

The Mostaganem unit, the newest, went into service in 1971 and is made up of a refinery, a lump sugar plant and loaf sugar unit. Its production is 300 tons of refined sugar a day. Finally, the Sfisef packing plant has a production capacity of 15,000 tons of lump and powdered sugar.

With regard to sugar and fermentation, SOGEDIA expects to be able to meet all sugar needs and to set up a sugar beet refining and processing program. However, to our knowledge, no project was underway in 1981 and none is planned for 1982.

11,464

CSO: 4519/64

VEGETABLE OIL INDUSTRY EXAMINED

Paris EUROPE OUTREMER in French No 629-630, Jun-Jul 82 p 38

[Text] Except for olives, industrial vegetable oil crops are still relatively undeveloped in Algeria. In the statistics of the Ministry of Planning, they amount to only 900 tons in 1978-1979 and 500 tons for 1979-1980 (provisional figures). Consequently, food fats are still by and large imported.

The industrial sector is under SOGEDIA [Food Industries Management and Development Company], which we have already mentioned in this same issue in connection with sugar, and will also be reorganized into a national production enterprise. Its production capacities are as follows: grinding of oil-yielding seed, 81,000 tons a year; refining of edible oils, 246,300 tons a year; margarines and vegetable fats, 18,500 tons a year; household soaps, 70,200 tons a year; toilet soap, 5,100 tons a year. In 1980, production was 222,368 tons of edible oils, 13,442 tons of margarine and 71,758 tons of soap.

The eight units now in service include the oilworks-refinery-soapworks in Algiers, the refinery-margarine factory in Algiers, the refinery-soapworks in Algiers, the Annaba refinery, the Bejaia refinery-soapworks, the Es-Senia oilworks-refinery near Oran (two units) and the Sig oilworks-refinery. At the present time, an oil refinery is being built in Algiers and should go into service at the end of this year, with a capacity of 100 tons a day. The main project is a fatty substances complex in Bejaia, which should go into production in 1985. Its capacity would be 400 tons of refined oil a day, 80 tons of margarine a day, 20 tons of glycerine a day, 150 tons of household soap a day and 50 tons of toilet soap a day. The Beni-Saf fats complex is planned for 1982 with the same production capacity as the Bejaia complex. This city will also have a soapworks (200 tons of soap a day). Numerous expansions and reconstructions will also take place.

11,464

CSO: 4519/65

JOINT SCIENTIFIC RESEARCH DESCRIBED AS ESSENTIAL; CONTROLS ESTABLISHED

Academy Chairman's Views

Cairo AL-AHRAM in Arabic 1 Nov 82 p 7

[Article by Dr Ibrahim Jamil Badran, chairman of the Scientific Research and Technology Academy: "Issue of Joint Scientific Research From Viewpoint of Scientific Research Academy"]

[Text] There has been extensive discussion in publications and research circles on the issue of joint research with foreign countries. Before embarking on the crux of the issue, fundamental points can be established. The first is that cooperation does not require subservience. Rather, cooperation means integration through finding the easiest means to deal with national problems, and making use of the methods and experience developed by other countries before us. The best way to answer those who cast doubts on the national ability is to develop in them self-confidence, faith and the ability to solve many of the problems through cooperation with those who have undergone the experience before, through cooperation with those who have undergone the experience before, through giving them opportunities for international contact and opening the doors for them to apply a successful method practiced by the advanced countries earlier. This is our responsibility as leaders of scientific research.

The advanced countries, be they Eastern or Western countries, deal through organizations using open scientific data. History confirms that countries with traditional political restrictions are standing still on the path of progress as a result of scientific isolation.

The methods and results of science cannot be concealed forever. Science cannot be isolated in one place or withheld from any talent. In the advanced world, (the quality of distinction is no longer present unless there is openness to the various facets of knowledge, wherever they may be).

A glance at India, Brazil, Korea and Taiwan and the dose of progress they obtained through external scientific contact and cooperation, through providing the means of education, training, application and research and through their use of these means in development problems proves that research must emanate from and be determined on the basis of the national

need and must then be presented to the councils, which include numerous national experts. These councils must study the research in succession until it reaches the level of state decision and before it reaches the light of day.

This is the method we have tried and are trying to apply in Egypt. I hold myself above branding the homeland's scientists and the workers of its advanced institutes with todayism, subservience or disloyalty, with failing to safeguard the country's secrets or with abandoning all the values of life in return for a few dirhams or transient gains. The homeland is a trust in the hands of every citizen. The higher the citizen rises with his capabilities and way of thinking, the stronger grows his faith in the message he carries and the more determined he becomes to repay the favor to his kinsmen as a tax for the ennoblement of his homeland.

Axes of Joint Research Issue

It is an old issue viewed by the researchers and the decision makers from two different angles:

First, an angle that as a mine can open the doors to progress in the countries wishing to develop in a scientific way.

Second, an angle that views research as a means for draining the national capabilities and the basic information that can serve antinational goals.

Proven Facts

Scientific research has become a must in development problems. It is something that must be used as a guiding light and an experiment for the development sought by society so that it will serve development problems and help solve many of the problems that often confront us. Research is also viewed as a means to uncover the talents and capabilities that grow gradually to reach the level of the ability to invent and innovate or at least to the level of intelligent development, which puts the means of the age at the disposal of the citizen and helps to improve the local product and enhance its quality and its ability to compete at the international level through the production of distinctive and exportable goods.

The more aware states are of the importance of scientific research, the larger are the budgets required to mobilize the national capabilities. Not only this. States facilitate the means to raise the wage and incentive levels for workers in all fields of scientific research and help to supply them with references and data and even with the opportunities for international contact. Through the application of these policies, numerous states have been able to keep their scientists and have even encouraged many immigrant scientists to return and serve their countries (the experience of India and Korea).

But if the state cannot create the climate conducive to the growth of scientific research, especially applied research, a benign system permitting the utilization of international capabilities, contact with the outside world and using this world's experience, ability and expertise in solving problems facing development has to be established.

In this respect, it must be assumed that the assisting country is up to the behavioral and moral level required by international relations, by UN recommendations and by the dialogue between the advanced countries and other less advanced countries. We must also be in the position of the vigilant partner and not of the negligent and subservient partner.

Due to all of this, the issue of joint research has emerged as a new relationship between the advanced world and the developing world. This relationship has been approached from different viewpoints. Some countries have rejected it completely and have continued futile practices and endeavors because the costs of research and of the paths of trial and error constitute a burden to national spending, especially since those in charge of solving problems in the periods of economic pressure prefer to confront acute problems with quick spending whereas scientific research is a long path that requires patience, spending and sacrifices before it produces any fruits. This is why this research is viewed as a luxury that can be dispensed with at any time.

Therefore, the Egyptian option has been the option of joint international contact.

What Have They Offered?

If we examine the returns of joint research in Egypt, we will find that:

1. It has provided the financing necessary for a number of basic and developmental scientific research studies that it would have been impossible to conduct if it had not been for the availability of this financing at a time when financing for scientific research was scarce. This means that joint research has added an external budget to the budgets of the state institutions and universities and has supported the economics of Egyptian scientific research, thus providing financing for other assisting projects or investments. The only basic shackle to obstruct the conduct of those studies would have been the lack of financing, considering that the national expertise is available, that the fields of research in which to engage are clear and that this expertise has the desire to prove its ability to conduct such research and to underline the effectiveness of its outcome so that the research will be an argument to be used by the decision makers.

2. Joint research has mobilized national manpower resources in the universities and academic fields to perform productive work through increased contact with scientists who have the ability to produce and to offer services. This contact has motivated the national capability to put scientific research within the framework of partnership in order to solve the problems confronting the various development plans.

3. This research has provided somewhat rewarding incentives to the researchers, to the point where scientific research activity has become an alternative to:

A. External loaning and the great increase it generates in the researchers' income. In 1977, it was calculated that the income a loaned researcher earns in 4 years equals his income from 30 years of employment in the government or in a university.

B. Internal loaning to private colleges, joint establishments or national expertise houses. It has been estimated that the national centers pay the researcher a sum ranging from 50 piasters to 5 pounds per hour of scientific work whereas the American University and the joint offices pay the researcher an average of 20-30 pounds per hour. This can be viewed as a means of preventing the drain of expertise to the outside world.

C. Book writing and the excessive prices charged for such books in some cases, along with the accompanying problems that are well known to the universities.

D. Utilization from within the university or scientific institution of dual employment with other colleges, offices and firms in search of [more] income.

4. Joint research has put Egyptian academic circles, or the Egyptian scientific society, in direct contact with the international scientific societies, thus opening to them the opportunity to familiarize themselves with the latest means, methods and accomplishments of scientific research in many fields.

5. Joint research has introduced the national capability, its genius and its standard to the world scientific community, thus enhancing the homeland's reputation and faith in its ability to overcome backwardness, along with the political and economic impact such an enhanced reputation generates in international circles.

6. This aspect of joint research has insured to a large extent control over the quality of the studies produced and, consequently, has insured the high standard of the results produced, considering that the results of studies published internationally are subjected to international evaluation and to challenge by international scientific circles before they are published in the periodicals of these circles.

7. Joint research has helped the state establish new centers in a new way and according to the latest methods used in the developing world. These are the so-called centers of excellence, which will continue to be an asset for the country even after termination of the foreign cooperation contracts.

Dimensions of Problem

By virtue of its quality, joint scientific research has to be confined to a limited number of human scientific elements, "the cream of the cream" in the universities and the research centers. These distinguished capabilities have aroused strong debate and competition. This debate and competition have had to be contained at the national level so that this activity not falsely accused of todayism and so that it is channelled toward motivating the will and the capabilities instead of leading to destruction and losses, including:

Brain drain.

Obstruction of opportunities for progress and contacts.

Termination of the foreign contracts as a result of the doubts cast on international relations, which we are eager to develop in fields where we are in the direst need to utilize these relations in a sound and commendable way. This casting of doubts constitutes a bar to scientific progress and a great hope to whoever is hostile to us.

Some of the issues cropping up in scientific research in the past few years have aroused, rightly or wrongly, a lot of clamor and doubt over those in charge of scientific research in the universities and the research centers. This has prompted the government to intervene and issue law No 48 of 1982 which has its impact on the course of scientific research in Egypt and on controlling the method of operation.

This campaign can be attributed to one of the following reasons:

Either the selfishness of some individuals, suspicions about some institutions and the honesty of some of those in charge of scientific research or the doubts cast on the ability of the organization and control agencies to lay down the rules and regulations that regulate the method of engaging in scientific research and [insure] the honest publication of the results and the safeguarding of state secrets.

Or this campaign may be part of an external campaign conducted maliciously through Egyptian citizens to deny Egypt the internationally accepted system to close a window that has been opened to serve the cause of scientific research and progress and to also close a new door and outlet through which the scientists can pass to solve national problems (nuclear experiments, rice, alternatives to the Nile silt and development of oil byproducts).

This campaign may also be part of a general political campaign against Egyptian foreign relations, especially relations with the United States. The campaign may be aimed at initiating a reconsideration and reassessment of Egyptian relations with the Eastern or Western world. I don't think that the Egyptian Government or the political leadership is in favor of such a thing. Somebody has said in an article:

"Joint research is the instrument of colonialism and imperialism for cultural penetration and then for cultural domination."

Others have said that joint research is the new face of international espionage. These are serious statements harboring meanings that arouse suspicion.

Elements of Accusation

These gentlemen have made scientific research in Egypt a defendant or have raised the following points, all of which are refuted:

First point: Joint research represents a means for leaking information and data on Egypt to foreign countries, thus influencing these countries' decisions concerning Egypt. It is an issue that affects national security and, consequently, comes under the category of information leakage. This is what has been described as the new face of scientific espionage. I find myself compelled to describe this viewpoint as one that falls short of the standard of the age. Knowledge is published and information is made available through artificial satellites. Both the Eastern and the Western blocs now cooperate in various fields, even though they do withhold some information from each other. But ultimately, the issue of progress, of the exchange of knowledge and of spreading the blessing of development for the good of mankind becomes the issue of man whoever he is, at all times and regardless of principles and policies.

Second point: This research has been chosen by the foreigner in the sense that the foreigner has determined the field of research and has used cheap Egyptian expertise to achieve its objectives. They say that the foreign partner is the one who decides the points of interest. This is not true. [Research] topics are open for discussion for periods described as boringly long so that they may be examined, presented to committees and reviewed by legislative councils. If we cast a glance at the projected problems, we find that they all emanate from economic, social, technological and educational development issues.

Third point: The foreign side presents his concepts and methods for this joint research and thus ends up controlling the results. Moreover, the research has been conducted without a national scientific research plan. They thus charge that there is no national plan whereas we are now applying, financing and working through such a plan, which emanates from the crux of vital issues and which has been studied by the government production and service sectors, taking into consideration the priorities of the development plan that we had studied and scrutinized in order to (crystallize the aspirations it contains for the progress of the homeland).

In any case, the research points needed by Egypt are very obvious and all we have to do is to use all possible means to study them, provided that the conclusions and the recommendations are presented to the decision makers so that science, the national capability and international experience actually serve adoption of sound decisions.

Fourth point: Giving those who take part in this research generous rewards (or, to put it in the words of AL-AHRAM AL-IQTISADI, buying the conscience of the professors and the researchers by way of research agents), i.e., getting the researchers accustomed to a standard of living that becomes difficult to abandon or give up and that then makes it hard to direct the researcher to do any other work. The answer to this is that capability must be released and encouraged to succeed. Is the Egyptian researcher doomed to oppression and poverty and then to fleeing [the country] to improve his living standard? This is an issue that must be viewed justly before an answer is given.

Conclusion:

Three factors call for proceeding in the direction of a scientific and technological open-door policy:

1. Securing the technological and scientific foundations for successful investment. This requires that studies be conducted to analyze and formulate policy and to chart the alternatives in order to improve the yield. We are still at the start of the path to exploiting our capability, as is the case in many of the developing countries.
2. Evaluating the performance, methods and outcome of development investments in the national centers and institutes through Egyptians and underlining the continued commitment to serve development objectives.
3. Building the basic bricks for a lasting national scientific research and technological progress capability that serves the issues of social and economic development in a way that insures the continuity of this capability after the termination of aid from and cooperation with foreign countries. This is the long-range investment that relies on the individual scientist and the scientific institution capable of conducting research at an international level and on distinguished quality (training, resources, management, data and capability development). All these are one of the mainstays of national independence because there can be no independence with scientific subservience that entails ignorance of the ability to solve development problems.

The question of establishing controls over cooperation (not subservience or scientific todayism, as it has been described) is not rejected by any scientist. If some excesses have taken place in research in the past, the overwhelming majority [of researchers] works within the state plan and within a serious and honest organizational framework.

The issue of information leakage can be controlled if the state approves cooperation of the scientific research agencies--through the national network which it is hoped will be represented by the academy--with the Data Control Bureau of the Mobilization and Statistics Agency. All this will make a distinction between special data belonging to the state and data that is publishable as public science.

As for the issue of buying consciences, of scientific todayism, and of research contractors, the academy holds itself above engaging in a dialogue to answer this issue.

Establishment of Controls

Cairo AL-AHRAM in Arabic 1 Nov 82 p 1

[Article: "Controls To Regulate Joint Research With Foreign Circles"]

[Text] It has been decided to establish controls to regulate joint research between foreign and international circles on the one hand and the state's administration apparatus, the universities, public authorities and local government units on the other.

Dr Mustafa Kamal Hilmi, deputy prime minister and minister of education, has stated that it has been decided to make it conditional that the approval of the ministry or the authority concerned in which the research is to be conducted to be obtained prior to concluding any agreement with foreign or international agencies to conduct the research. It has also been decided that the chairman of the authority concerned will be responsible for monitoring implementation of the research projects and that the minister concerned will issue financial and administrative bylaws for the project involved.

It has been further decided that the maximum financial recompense paid to workers in research projects monthly and throughout the research period shall not exceed 200 percent of the researcher's basic salary if he is engaged in one project and 300 percent the salary if he is engaged in more than one project, provided that the monies for research projects are subject to the control of the authority supervising the research and the control of the Central Accounting Agency and that a final account for the project is conveyed to the Central Accounting Agency a maximum of 2 months after conclusion of the research.

8494

CSO: 4504/65

TRIAL OF FORMER MINISTERS ACCUSED OF CORRUPTION URGED

Cairo AL-SHA'B in Arabic 2 Nov 82 p 8

[Article by Dr Muhammad Hilmi Murad: "Nabawi Isma'il and Abu Sahli Must Be Tried"]

[Text] In recent days, the press has emerged with interesting reports. It is unthinkable that the sincere citizen who is concerned with his country's interests will take toward these reports the position of a spectator watching a movie or reading stories and events about foreign countries with which we are not at all concerned. Rather, the national conscience exhorts us to examine the details of these reports closely, analyze their causes and exert efforts to adopt precautionary measures against them and to prevent their recurrence.

One of these reports concerns "material corruption" and the making of illicit profits through the seizure of public property, black market activity, smuggling, tampering with the people's food and demanding protection money, all of which have been attributed to 'Ismat al-Sadat, the late President Anwar al-Sadat's brother, who has exploited the president's name and influence.

The other report preceded the first but has not, despite its extremely serious nature, evoked the same uproar because it comes under the category of "moral corruption." Fathi Radwan explained the grave nature of this matter in his article in AL-SHA'B of 19 October 1982. The report concerns the issuance of a republican decree appointing Counselors Yahya al-Rifa'i and Kamal Anwar, the two deputy chairmen of the Cairo Appellate Court, to the Court of Cassation by virtue of their seniority. According to this seniority appointment of the two counselors to the Court of Cassation was due in 1979 but Anwar Abu Sahli, the ex-minister of justice, defied the unanimous decisions issued in succession by the counselors to the membership of this court. The minister's defiance forced the two counselors to take legal action and the court recently ruled in their favor. Abu Sahli defied their appointment because of the positions the two counselors took in the Judges Club in defense of the independence of the judiciary and the supremacy of the law. This defiance of the part of the minister is a grave matter, considering its encroachment on the judiciary and its violation of the judiciary's independence with the purpose of influencing judicial authority and supremacy of law that, in accordance with the provisions of the

constitution, is the basis of government in the country. The late president boasted in his speeches that he was eager to observe this principle--a boasting incompatible with the actions of Abu Sahli, the minister of justice in the late president's regime. One of those actions has been corrected by the republican decree issued to implement the judicial ruling.

Ministers Responsible for Their Actions Even If They Leave Their Positions

It is indisputable that the ministers who got involved in both kinds of corruption--material and moral--must not escape accounting and punishment so that they will be a lesson to others and so that we can close the door of corruption generated by covering up for corrupters, facilitating their actions or sharing the prohibited fruits of their corrupt actions.

Keeping silent about the crimes of encroachment against state property, failing to implement criminal sentences issued against corrupters with influence, corrupters who are favorites and corrupters who have blood relatives [in positions of power], failing to act justly on complaints presented by citizens against such corrupters, giving them priority or privileges over others for no reason other than the influence or the connections they have or enabling them to evade customs fees and taxes or other state dues--all these are things that must not pass without fixing responsibility and without questioning the ministers who should be eager to implement the provisions of the constitution and of the law out of respect for the oath they take on assuming their ministerial positions and who must be loyal to the people first and foremost.

If AL-AHRAR's report taht Nabawi Isma'il, ex-minister of interior, had issued a decision providing a special guard of 250 guardsmen to serve the homes and establishments of 'Ismat al-Sadat, his wives and his children--guards who continued to serve 'Ismat al-Sadat and his establishments until issuance of the socialist public prosecutor's decision sequestering the property of 'Ismat al-Sadat's family when those guards turned to guarding the sequestered property--if this report is true, then this act constitutes a crime of participation through assisting in the perpetration of the acts attributed to the original perpetrators, namely, 'Ismat al-Sadat and his family, and Nabawi must be questioned on this accusation and must be tried if it is proven against him.

Moreover, under no circumstances should we exempt Nabawi Isma'il from questioning about the incriminating acts he committed during his service as minister of interior, that is if we want to uproot corruption altogether.

Isma'il's rigging of the general elections, his tampering with the referendums that always ended with a 99.9 percent approval rate and became the butt of world jokes, his trumping up of false accusations to discredit honorable people and to undermine the reputation of political opponents, his militarization of the police with the aim of intimidating the people and suppressing their voice at a time when he acted leniently toward drug dealers and when he defied the judiciary and refused to carry out their sentences--all these are issues with which we confronted Isma'il while he was still in

power and on the basis of which we demanded his resignation in our article published in AL-SHA'B on 2 June 1981.

Needless to say, that we must add to this list of accusations Isma'il's responsibility for pushing [Anwar] al-Sadat to make the September 1981 decisions that were ruled unconstitutional by the judiciary. Those decisions resulted in the arrest of 1,536 citizens, including political leaders and clergymen, abolition of opposition papers, dissolution of numerous Islamic and Christian charitable associations and, violations against the press and the universities through the transfer of many of their personnel, plus Isma'il's responsibility as minister of interior for the assassination of Anwar al-Sadat and for the violations committed in the jails in which the detainees were incarcerated. Those violations ranged from failure to observe the law regulating the jails and the rules applied even to the treatment of ordinary criminals committing crimes against lives and property, failure to observe the status of the detainees, their age or their health conditions--a failure that led to the death of some of the detainees, isolation of the detainees using every means from all communication with the outside world, such as corresponding with their families or seeing their attorneys. All this is in violation of minimum internationally recognized human rights. Crimes of torture were also committed against a number of detainees. This must not pass without bringing to trial the minister responsible for issuing those orders and instructions so that he will be a lesson and an example in reasserting the supremacy of the law, in establishing true democracy and in respecting human rights.

Should the state neglect to carry out this task and should the public prosecutor fail to investigate those crimes now, the near future will witness this trial anyway, but only after this negligence, should it occur, generates negative reactions.

Relieving the minister guilty of committing all these premeditated and grave errors is not adequate punishment. By their nature, ministerial positions are temporary and holding the position of minister should not be a justification for exemption from punishment. On the contrary, acts committed by a minister--a man who has the executive power and the alternatives, who is aware of the extent of his political and legal responsibilities and who is supposed to be an example to be followed in respecting the constitution and the law--dictate that the minister be brought to stricter accounting. Anything said to the contrary means that the minister may do whatever he wishes while resting assured that nothing more than leaving his position will ultimately befall him.

Dismissal From Cabinet Isn't Sufficient Punishment for Corruption

Rather, leaving the position might be beneficial to the minister who collects a minister's pension while engaging at the same time in a profession or a free enterprise or who may be rewarded for what he does while holding his position as minister to satisfy the whims of some rulers or influential people by being given another position in the popular organizations or in private companies and establishments, as has happened with Anwar Abu Sahli, the ex-minister of justice.

Abu Sahli committed acts that are tantamount to intervention in the judiciary whose independence from the executive authority is stipulated by the constitution. Rather, his acts are tantamount to an attempt to corrupt the conscience of the judiciary by giving them privileges, responding to their wishes to be transferred or loaned and putting at their disposal funds to please them on the one hand and to oppose the demands or rights of those who do not obey the minister's orders on the other hand. Perhaps Abu Sahli's interference in the Judges Club elections, his visits to the courthouses and his meetings with the judicial general assemblies demonstrate a lot of what the judiciary talk of and what they object to. Perhaps what happened to Counselor Yahya Rifa'i, the Judges Club general secretary, is the best testimony to what we are saying. We brought up the Rifa'i issue and wrote about it in AL-SHA'B when Abu Sahli was still the minister of justice.

The manner in which Abu Sahli was dismissed from the cabinet and in which he was compelled to tender his resignation after announcement of the results of the Judges Club elections--results with which the late President al-Sadat was not pleased--and his replacement as minister of justice by Counselor Ahmad Samir Sami who had lost those elections are a lesson that should be understood by whoever thinks of deviating from the right path to please the ruler or the man in power.

However, ouster from the cabinet, even if in a humiliating manner, is not an adequate guarantee of the soundness of ministerial action. The law must stipulate that a minister may not hold a position in a company or an establishment for a certain period--let it be 5 years--after he leaves the cabinet to insure that no mistakes are committed as a result of a minister aspiring to gain a certain position after leaving the cabinet.

We need not refer to the law on the trial of ministers--law No 79 of 1958, which dates back to the days of unity between Egypt and Syria--because what is attributed to these two ministers and to other officials mentioned in the investigations pertaining to the cases of deviation and corruption, such as Dr 'Abd al-Razzaq 'Abd al-Majid, the deputy prime minister for economic and financial affairs, and Hilmi 'Abd al-Akhir, the ex-minister of state for People's Assembly affairs, both of whom have been mentioned in the case of Rashad 'Uthman, comes under the jurisdiction of the penal code and these officials may be tried before the ordinary judiciary. This is the principle established by the Court of Cassation. Engr Ahmad Sultan, an ex-minister of electricity, and ministers 'Abdallah Marzaban and Ahmad Nuh were tried on the basis of this principle.

We previously responded to the statement of Counselor Salah al-Rashidi the former general attorney, filing away the investigation against ex-ministers 'Abd al-Razzaq 'Abd al-Majid and Hilmi 'Abd al-Akhir, and we pointed out that the evidence against them, according to the statement itself, is enough to bring them to trial. I will ask the new general attorney in the name of public interest to reconsider the filing decision and to complete the investigation in which the two ministers were not interrogated so that the judiciary can have its say on this issue.

YOUTH AVERSE TO POLITICAL PARTIES

Cairo THE EGYPTIAN GAZETTE in English 11 Nov 82 p 3

[Article by Hassan Amer]

[Text]

ONLY 8.5 per cent of Egyptian youth feel inclined to join political parties, according to the results of a field study conducted by the University of Alexandria.

About voting in national elections, 44.7 of the youth are always keen to go to the polls. Nevertheless only 19.8 per cent vote in local council elections.

A team of distinguished professors of Sociology and Anthropology conducted the study which used as a sample 10,000 young people representing all the governorates, except Cairo and Matruh.

Although Cairo's youth were not represented in the sample, the study revealed that 76 per cent of young people are interested overall in news items and follow local and international political developments.

The young people in the sample ranged between 18 and 30 years old. Twenty-five per cent of the members of the sample were students, 15 per cent were industrial workers 15 per cent were in a profession, 15 per cent were craftsmen, 15 per cent clerks and 15 percent housewives.

The questions asked to check the tendencies included; how much were the youth interested in general and political issues? How much were they inclined to take part in discussions on politics? And lastly how much did they like to participate in political action?

The most serious phenomenon is the political alienation they feel 91.5 per cent of the youth in the sample did not have any interest in the existing political parties.

CSO: 4500/34

MINISTER DISCUSSES EGYPTIAN POUND CRISIS

Cairo THE EGYPTIAN GAZETTE in English 12 Nov 82 p 2

[Text]

THE fluctuations in the exchange rate of the Egyptian pound and its decline in value against foreign currencies especially the US dollar is the topic of discussion in a dialogue conducted by the Arabic language newspaper Al-Ahram which interviewed the former Minister of Finance Dr Ali Lutfi on the so called «Egyptian pound crisis»

Dr Lutfi said that the structural imbalance of the economy is the factor behind all the difficulties the balance of payments is suffering from. «We consume more than we produce and invest more than we save» said Dr Lutfi and this simply means that we use foreign currencies far exceeding the revenues we receive from such currencies.»

This in a sense means that the rise in the foreign currency exchange rate against the declining rate of the Egyptian pound is due to the scarcity of supply and the high demand for foreign currency

The basic solution the former Minister said is to increase pro-

duction to cover market needs of locally manufactured products to abate the tendency to import goods which consumes the country's revenues of foreign currency.

However for short term measures the former Minister advised encouraging remittances to Egyptians working abroad by creating a suitable investment climate based on accurate feasibility studies thus encouraging the expatriate Egyptians to send their money home.

Meanwhile private sector projects should be given high priority especially those production-oriented ones which can cover the local needs and provide export products that yield foreign currency revenues

Foremost among all the measures is that the Central Bank of Egypt should practise a tighter control over the investment banks and the branches of foreign banks in the country.

Preventive customs duties and consumption tax should be applied to discourage import of consumer and luxury goods.

CSO: 4500/34

BRIEFS

RISES IN IRON, STEEL PRODUCTION--IRON and steel production is expected to reach 835,000 tons by the end of the year with an increased of 77,000 tons on last year, the Chairman of the Iron and Steel Company, Mr Mohamed Diaa Ed-dein, said yesterday. He added that 30 percent of this production would be used for ship building, 30 percent for railway lines, 15 percent for refrigerators and metal furniture, 15 percent for iron reinforcements and 10 percent for other purposes, specially for metal castings. Next year the company will produce 25,000 tons of reinforcing iron bars to cover the needs of the housing sector. This means the company will about double its iron bar output, the Chairman of the Company said. [Cairo THE EGYPTIAN GAZETTE in English 12 Nov 82 p 2]

CANAL PLANNED TO IRRIGATE DELTA, SINAI--NILE water will be available in east Sinai before the end of this decade to irrigate 400,000 feddans. The Salam Canal, which is under construction, will transport water to the area said the Chairman of the Projects Sector at the Ministry of Irrigation, Mr Moris Kamel. Mr Kamel said that the Salam canal will be dug from Damietta to the Suez Canal supplying the region with irrigation water and reclaiming 200,000 feddans of the desert areas in Damietta, Sharkia and Port Said governorates. He added that the first stage of the canal would be finished in 1987, a distance of 82 Km, and the second stage would extend from the north coast of the mainland to Sinai under the Suez Canal through a pipeline. The cost of the canal is expected to reach LE 120 million. [Cairo THE EGYPTIAN GAZETTE in English 15 Nov 82 p 2]

CSO: 4500/34

FLURRY OF COMMENTS APPEAR ON IRAQI WAR

Information Chief on Strategy in Iraq

Tehran KAYHAN INTERNATIONAL in English 18 Nov 82 p 1

[Text]

POME, Nov. 17 (IRNA) — Head of the War Information Headquarters, Kamal Kharrazi, said here Tuesday afternoon that the Islamic Republic, by entering a new phase in the Iraqi imposed war and fighting inside Iraqi territory, had chosen a new policy in order to materialize the conditions which Iraq refused to accept.

Speaking at a press conference on the way back from the third general assembly of the Non-Aligned News Agencies "pool" recently held in Tunis, Kharrazi outlined the new achievements of the Islamic combatants in the warfronts and the liberation of more areas of the Iranian territory while emphasizing the necessity to punish the aggressor.

He referred to the imposed war as an opportunity for the unity of the army and the Islamic Revolutionary Guards Corps (IRGC) which enabled them to reach their present high level of efficiency.

Commenting on Iran's achievements in military industry Kharrazi stressed that the Muslim Iranian nation was still ready for the continuation of the war. He noted that there was no problem in the supply of the required armaments in the war since great quantities of the same had been seized from the enemy.

Mediating Missions Negative
Kharrazi, who is also director of the Islamic Republic News Agency (IRNA), described the visit of mediating missions as

being negative stressing that due to the incapability of international organizations and the non-acceptance of the Islamic Republic's legitimate rights by the lackey regime of Iraq, Iran was forced to take direct measures itself.

At present several hundreds of square kilometers of Iraqi territory were in the hands of the Islamic combatants and in case of continued stubbornness by the Baghdad ruling junta, the Islamic forces would continue their advance in Iraq, he said.

Stressing that Iraq had violated international principles, including the 1975 Algiers Accord, Kharrazi said that in case there was any problem over border issues, the Baghdad regime could have referred to the said accord and followed up the issue instead of launching aggression against Iran.

Baghdad — Agent of U.S.

He noted that Baghdad was commissioned by the U.S. and the reactionary Arabs to crush the Islamic Revolution but after the 26 months since the outbreak of the imposed war and the changes in the warfronts in favor of Iran, the Iraqi rulers are pretending to be peace-seekers in order to save themselves from being overthrown.

The Islamic Republic, Kharrazi added, believed that since Iraq started the war, the Baghdad regime in addition to paying war indemnities as an aggressor, should also be punished and the Muslim Iraqi deportees should

return to their homeland.

He said that seven Iranian border cities had been destroyed and other border areas suffered damages during the course of the war while Abadan and many other Iranian cities were the target of everyday artillery fire from the Iraqis in which scores of Iranians were being martyred.

Kharrazi called on the reporters to visit Iran to inspect the warfronts and become further acquainted with the existing realities in Iran and the battlefields of the Iraqi imposed war.

Editorial on Revolution in Iraq

Tehran KAYHAN INTERNATIONAL in English 21 Nov 82 p 2

[Editorial: "Supreme Assembly For the Islamic Revolution in Iraq"]

[Text]

The formation of the Supreme Assembly for the Islamic Revolution in Iraq was an important event and a development which was long anticipated. Not only the struggling Muslim brothers and the nation of Iraq but the people of Iran and the fighting sons of this nation have been waiting for the emergence of such an issue. It is for this reason that with the announcement of the creation of this assembly, a wave of optimism is growing.

Certainly no revolution can advance and reach its aims without leadership. Sometimes this leadership is embodied in an individual, like the Islamic Revolution in Iran. An individual can directly play the role of tens of persons and even parties and organizations in mobilizing, guiding and commanding the people. This is not so at other times. That is to say the two factors of people and struggle exist, but there is no leader. To say it more exactly there is a leader, but he is unknown or is martyred by the enemy.

In this case what is essential is that an assembly or association of the most competent and popular individuals, personalities and groups be formed and announce its existence. The first result of this action is the elimination of uncertainty, ambiguity, in the issue of leadership. The struggling masses of people know henceforth which individuals or groups have officially shouldered direct responsibility for mapping the course of struggle and providing for the means necessary. When the issue of leadership is determined in this way, the revolutionary movement of a nation finds a definite axis and unifies around this axis.

By announcing its existence officially, the Supreme Assembly for the Islamic Revolution in Iraq took the first step and achieved the first result that we referred to.

The second result of this action is that the people discover the responsible, struggling, and guiding figures of the past, present and future of the revolutionary movement or one figure from among them as the representative and symbol of the other members of the leadership council. In this way the people will be able to evaluate and appreciate these figures better in the upcoming developments of the struggle. Having this knowledge and confidence is a necessity especially at the beginning of the journey.

The names of the members of the Supreme Council for the Islamic Revolution in Iraq have not been disclosed. But fortunately their agreement on electing Hojjatoleslam Hakim as the official spokesman of the assembly shows that the members of this revolutionary council pay attention to the necessity of the confidence of the masses of people. Because the spokesman of this council is the son of the late Ayatollah Hakim who was a leading religious authority in Iraq for many years. The people of Iraq both the Shi'i and Sunni, citizens and villagers know the late Ayatollah Hakim and naturally the figure of his son is familiar to them.

The third result which follows is a sense of unity and success that comes with unification. There are many who utter the slogan of unity and call for unifying. Few persons deny this and chant the slogan "Muslims! Disunite." But in the meantime few persons are found to accept unity under such conditions as are extant in Iraq today and pursue this issue practically.

The formation of the Supreme Assembly for the Islamic Revolution in Iraq is a promise and a sign of the evidence of this popular wish and ideal. The announcement of the existence of the assembly signifies that the slogan has been realized and unity has really been reached among the different individuals and groups.

The formation of a united assembly and council for leadership will entail another important and obvious result. The forces will not be used idly. The material and spiritual efforts will concentrate on one place and pass through one channel. When there is no leading assembly and council, or in one word "leadership," there will be much military activities, but these activities will be wasted like dispersed streams in a plain. Much propaganda and ideological work will be done, but it will be thwarted by separate activities and contradictory utterances. Much

"We do not want that tomorrow Saddam or another person launch on an aggression and then through collecting assistances from the U S and other reactionaries and through mediation of some others vindicate itself," he added.

Referring to the shaky situation of Saddam's regime he said that the regional countries should know that there was no hope for Saddam's survival and their assistances would only prolong the war. If they truly desire to end the war, he said, they should stop their unsparing aids to Saddam.

Sheikholeslam then commented on Saddam's claims six months ago that Iraqi forces had withdrawn from Iranian territory adding that although some parts of the occupied Iranian lands have been liberated since then by the Islamic defenders still some quarters of the Iranian territory includ-

ing Naftshahr in Bakhtaran Province were still under Iraqi occupation.

This indicated the falsehood of Saddam's statements in all aspects whether the withdrawal of Iraqi forces or his so-called peace loving statements.

In conclusion, he said that the Iranian nation would soon liberate the remaining territories and would teach a lesson to the aggressors so that no one in the future would dare violate or attack upon another country.

The foreign ministry undersecretary left Tehran heading a delegation to five Arab countries two weeks ago. He travelled to Syria, Algeria, Libya, People's Democratic Republic of Yemen and then to the United Arab Emirates. The trips were aimed at explaining Iran's stands regarding the regional issues. He returned to Tehran Thursday.

Refutation of 'ECONOMIST' Article

Tehran KAYHAN INTERNATIONAL in English 11 Nov 82 p 3

[Excerpt]

At any rate, the fact is that the warmongers have realized today that the imposition of war on Iran has been a huge blunder. That is why they have begun extensive political publicity to stop the war temporarily in order to rebuild Saddam's debilitated army. The dispatch of various peace missions to Iran is a part of the imperialists' publicity stunts.

In a recent article about the Iran-Iraq War, The Economist of London commented thus: "The situation in Iran can be much worse than it is now. This is important, because guerrilla attacks in Iran accelerated during the autumn of the current year and another prominent figure of the regime, Ayatollah Ashrafi Isfahani was removed from the scene in Western Iran.

The Economist adds: "The unceasing struggle of the leftist guerrillas against the savage suppression by the Iranian regime is an indication of the hatred of most of the Iranians for the ruling mullahs."

The Economist also added: "The Westerners who travel to Iran, speak of the hatred of most of the middle class Iranians for the regime that has deprived them of all life's facilities. The big business community considers the government responsible for this. Also, the industrialists are unhappy about the shut down of their factories."

In order to answer the obvious question of its readers as to if most of the Iranians have backed away from the regime, then who causes it to continue, The Economist adds: "The illiterate villagers who migrated to the cities during the shah's industrial revolution with the hope of finding a job, are now at the disposal of Imam Khomeini".

We do not expect anything other than this from the imperialist writers who have admitted their lack of understanding of the nature of the Islamic Revolution. It is not surprising for us to

note that they consider the terrorist activities of the Munafiqin as guerrilla activity and attack the popular support of the Islamic Revolution, by the oppressed masses. This is exactly the same thing that Imam reiterates in his speeches, that is, the support of the revolution by the oppressed. Let this century be a century of victory of the deprived over their oppressors, Inshallah.

President on Role of Revolutionary Guards

Tehran KAYHAN INTERNATIONAL in English 23 Nov 82 p 1

[Text]

ISFAHAN, Nov. 22 (IRNA) — President Khamene'i has said that the Iran-Iraq conflict is a showdown destined to lead to the fiasco of the U.S. brinkmanship in the region. Khamene'i says the Iranian combatants are to shape the future of the region, and that their eventual victory will not be one over Iraq, but rather over Washington and its policies in this part of the world.

The Iranian president who was speaking in the meeting with the Islamic Revolutionary Guards here today was openly and equally critical of the policies of both Washington and Moscow in the region.

Said he, "the superpowers of the East and West have joined hands in an explicit agreement over the region. One has committed crimes as the other has kept silent."

Khamene'i reiterated again that the Iranian combatants are not fighting in order to defend the country's territorial integrity but rather that the Islamic Republic was fighting in the interest of the aspirations of about one billion Muslims.

He reminded again that the Islamic Republic insists upon "the punishment of the aggressor" as a principal clause of a truce agreement with the Baghdad regime.

He said that the Islamic Republic does not deal with the wave of political and social problems as a government in its conventional sense but rather as a unified nation of 40 million citizens.

which is the reason why the Islamic Republic has not been defeated by its enemies.

Earlier and in another speech to a million-strong mass of the people here today the president said that the enemies of the Islamic Republic "who are challenging us at the political level" are trying to strip the nation and the government of their Islamic incentive.

He said the battlefronts in which the Iranian combatants have been fighting proves the falsity of certain foreign propaganda which attaches nationalistic ends to Iran's presence in the war-fronts.

He said the Islamic Republic would not permit any foreign power to put on a show of bravado in the Persian Gulf, and reiterated that Iran is not vulnerable at the Persian Gulf.

He said that the world powers and the "reactionary governments" and their supporters would better realize that they are incapable of harming Iran via the Persian Gulf.

Khamene'i who was here in order to preside over mass ceremonies for glorifying a group of the city's combatants who had been martyred in the fronts also praised the city's people for having contributed to the war-fronts by their active participation and said due to the self-sacrificing acts of the people of the city, the city's name would remain ever living in the pages of history.

Prime Minister on Iraqi Debt

Tehran KAYHAN INTERNATIONAL in English 23 Nov 82 p 1

[Text]

TEHRAN, Nov. 22 (IRNA) — Speaking to reporters today, Prime Minister Mir Hussein Musavi said that the formation of the Iraqi Revolutionary Council was useful in order to create better coordination among the Iraqi Muslim combatants fighting against Saddam's regime. He said that as far as he was informed, the council was made up of ulemas and intellectuals, Shia's and Sunnis.

Musavi said that there were signs which showed Iraq's serious economic problems, adding that after Saddam's overthrow, the Iraqi people would certainly not be responsible for the loans granted by the reactionary Arab countries to Saddam, estimated as 45 billion dollars.

Concerning Iran's rejection of an ambassador from France earlier this month, he said that France should share the responsibility for Iraq's aggression against the Islamic Republic with French made weapons, the martyring of innocent people by the MKO terrorists which it supports, and for withholding more than one billion dollars of Iran's money which belonged to each and everyone of Iran's 40 million people. "In such

circumstances it would be useless for a French ambassador to come to Iran," he said.

On the joint military maneuvers of some reactionary countries with the U.S., the prime minister said that Oman, Somalia, and Sudan were virtual colonies of the United States and therefore it was natural that the U.S. should make use of them in order to threaten the Islamic Revolution. He added that since the early days of the Iraqi imposed war (begun in September 1980) American, British and French fleet had been present near the Strait of Hormoz and had been a threat to regional peace. Musavi said that the security of the Persian Gulf countries could not be preserved by U.S. and French spearheads. "True security can be preserved by the people of the region and the people do not need American, British or French masters (to carry out this task)," he said.

Musavi also said that the Islamic Republic of Iran would continue to follow its "neither East nor West" policy without turning its back to the outside world, adding that, "we will use diplomatic and non-diplomatic means in order to reach this objective."

CSO: 4600/118

POLITICAL DEALINGS OF MINISTERS CRITIQUED

Tehran IRAN PRESS DIGEST in English 14 Nov 82 pp 1-3

[Text] The new ministers, that were introduced by the Prime Minister Mousavi to the Majlis last week, secured a considerable vote of confidence despite opposition by the representatives of the minority faction. In this way, all rumours, relating to the cabinet reshuffle which had been rife for the past three months, came to an end temporarily.

The cabinet reshuffle in the way it took place, should be considered a major success for the Prime Minister because he succeeded in bringing two of his co-thinkers into the cabinet and thus further strengthened his position. Both the ministers who entered the cabinet possess identical characteristics.

a). Both of them are clerics, and, in this way, are less vulnerable, as compared to the non-cleric ministers, to the pressure from opponents.

b). Both of them, apart from religious duties, possess university education as well, have stayed outside Iran and are familiar with a foreign language, and hence are rated as intellectual clergymen.

c). Both of these individuals had enjoyed the confidence of Ayatollah Beheshti and were amongst his disciples in politics. In this way, they have the backing of the supporters of that late figure as well as that of the Islamic Republic Party (IRP).

Among the three ministers who secured vote of confidence from the Majlis on Tuesday (Nov. 9), Hojjatol Islam Saiyed Mohammad Khatami, Minister of Islamic Guidance, was criticised more than others, and it was due to two reasons: First, the government's opponents pay special attention to the Islamic Guidance Ministry. They have made much efforts to get one of their favoured individuals appointed to this portfolio; Second, Khatami, in his earlier assignment, i.e. as the Head of the "Kayhan Organisation", had, in some cases, reflected such views which are not liked by the opponents. Among them was an editorial, written last year, in which the Daily had suggested that the ranks of the clerics too should be purged and undesirable elements expelled from amongst them. This proposal was made at a time when there had figured the issue of the Hojjatis and their detrimental role in the Islamic Revolution.

The importance, given to the acceptance of the new ministers by the Majlis, was such that Hojjatol Islam Hashemi Rafsanjani personally rose up to defend them and explained that all the three are reliable individuals. He said that he is acquainted with Rafighdoust for the past 20 years, and with Khatami for 19 years, while he considers Ejei'e to be thoroughly suitable to head the Social Welfare Organisation. While responding to those persons, who think the present cabinet to be weak, he stressed that it is the most powerful of all the revolutionary cabinets (Jomhuri Islami Nov. 10).

Among these three ministers, Khatami, who got the least number of votes of confidence (121 as opposed to 126 secured by Ejei'e and 139 by Rafighdoust), replied to the criticism by opponents. His reply was to the point & logical, and this had a desirable effect on the public opinion. Khatami said that he wasn't a candidate for the Guidance Ministry portfolio, and has accepted it only upon the recommendation of the President, the Chief Justice of the Supreme Court, and the Prime Minister (ETTELA'AT, Nov. 11). He defended his policy during the period when he held the assignment as Head of the Daily KAYHAN and said that he believes the opposition views should be published in the press and be replied to. He expressed regret at the fact that "open debate" on various beliefs has been discontinued on television and posed this question: "Is it useful to boycott and not to speak of all those individuals who are in a way, in disagreement with us and whose line we consider to be deviating, and who, anyhow, publicise their views cunningly and devilishly in the society, or to bring them up and to criticise them, and consequently to further enrich the Imam's line in the face of these deviating issues" (ETTELA'AT, Nov 11).

The two other ministers, i.e. Rafighdoust and Ejei'e, were criticised--the former for his inexperience and the latter for lack of specialisation in the social welfare field. But Rafighdoust (who it came to be known was at the wheel of Imam Khomeini's car from Airport to the city on the day of his return from exile) was dourly defended. It was also said that he was among the first persons who officially enrolled in the IRGC organisation of IRI, and has been, during the two years of the war, in charge of provision of supplies & implements of IRGC and purchase of weapons etc. from outside Iran.

Anniversary of Mir Hossein Mousavi's Premiership

On the occasion of the anniversary of Mir Hossein Mousavi's Premiership which also calls close to that of the Presidency of Hojjatol Islam Saiyed Ali Khamenei, both the President and the Prime Minister released reports on the tasks carried out during the past one year, and also pointed out the difficulties, deficiencies and discontentments, in some cases.

The Prime Minister, in his report, particularly stressed the cordial ties between the Government and the Majlis, and coordination among the ministers within the cabinet, and indirectly replied to the undesirable rumours that exist in this connection. He said: "In this respect, I must mention the coordination existing between the Government & the Majlis. The government believes that the Majlis is the essence of the nation and at the helm of affairs, and it (Government) pays attention to the guidelines given by the Majlis. At the same time, the Majlis duly discerns the executive problems, and on many

occasions, offers effective help to the government to ably carry out its functions. Within the Ministerial council itself, there exists much identity of views over political, social and economic issues. Naturally, there is often a difference of taste in bringing up some of the issue which leads to the analysis of a subject from different dimensions. This is among the strong points of the Ministerial Council. The current government is composed of chosen, able experience individuals of the Revolution. It is natural the creative mentality of these brethren in analysing various issues can reach a stage in the Council where the decisions adopted are all-round in nature, especially when this spirit is accompanied by the goodwill existing among all the cabinet members" (ETTELA'AT, Nov. 8).

The Prime Minister also stressed full coordination between the President & the Government, and said: Last year, many of the sessions of the Ministerial Council were held in the presence of the President, and the coordination, existing in this respect, is among the miracles and blessings of the Revolution (Same source).

Observers found the Premier's report to the [word indistinct] and the President's replies to the questions of the general public as very sincere and honest, and hold the belief that such an approach can put an end to the pessimism and lack of confidence of the public opinion towards the government officials.

CSO: 4600/129

BUDGET POLICIES OUTLINED FOR VARIOUS SECTORS

Tehran IRAN PRESS DIGEST in English 23 Nov 82 pp 6-10

[Text] The sectorial policies of the 1362 Budget have been announced by the government. These policies, which draw up the overall lines of government organisations and also involve the objectives of the IRI government in carrying out various economic plans & projects and in providing the social facilities to the public during 1983, have been duly formulated. The following are excerpts from these sectorial policies:

Industries

1. Creation & expansion of small-scale industrial units in agricultural & rural regions and in the vicinity of big industries with a view to providing productive employment, fulfilling the farming & essential needs of villages & small cities as well as big industries.
2. Completion & putting into commission of mother industry projects such as metal smelting, petrochemicals, machine tools and heavy automobile industries (including tractors and ships).
3. Completion, establishment & expansion of machine tool manufacturing industries as well as industries producing spare parts & commodities for agriculture as tractors, pumps and all other farm, irrigation and water supply implements, fertilisers & insecticides.
4. Completion of the industrial projects justified by the framework of overall policies in order to check the wastage of resources & investments made, and their speedy exploitation.
5. Creation & expansion of conversion industries in order to industrially exploit the farm products and to prevent the loss of these products.
6. Creation and expansion of industries to convert raw mineral materials into industrial raw materials with a view to preventing their imports and to encourage the converted materials instead of raw mineral materials.
7. Completion of the military industries projects for boosting the country's defensive power.

8. Creation and expansion of industries manufacturing the parts needed by various factories through bringing together techniques, specialisations and achievements of recent years in different factories and institutions of the country in order to replace imports, to economise on foreign exchange and to attain relative self-sufficiency in industry.
9. Completion, creation & expansion of industries to produce basic commodities needed by the general public such as food, textile, pharmaceutical & construction industries, as also the industries producing health & educational commodities.
10. Completion, creation & expansion of non-oil export industries which apart from accruing foreign exchange revenues, would create incentives for investment and production in various fields of different economic sectors.
11. Encouragement & protection of activities related to the industrial engineering & designing of machine tools & parts by the personnel of industries, universities and various scientific & industrial centers of the country.
12. Stress on carrying out programs in technical education, management and industrial accounting with a view to fulfilling the industrial needs in the said fields and supporting the implementation of these programs.
13. Creation of the infrastructural facilities needed for industrial investment by the cooperative and private sectors in the under-developed areas of the country.
14. Revision in various industrial organisations & setups, the improvement of management, and the reformation of decision-making & accounting systems in these institutions in order to exploit, to the maximum, manpower, materials, funds and the investments made.
15. Creation & expansion of industries producing intermediary commodities needed by the country's industries and other sectors, especially the infrastructural sectors such as power, oil, natural gas, water, telecommunication and roads.
16. Implementation of the projects on rehabilitation of losses and the items commonly used in industries, and conversion of the same into usable materials, parts & commodities.
17. Creation & expansion of industries, the designing of implementation of all or a bulk of which is practicable with the use of domestic resources, in order to encourage and boost domestic talents and to make maximum exploitation of the existing capacities in the country.
18. Protection of the production of special industrial parts in factories and industrial & research institutions of the country production of which is undertaken by a small number of states, and despite its meagre quantity it provides greatest dependence on the manufacturing countries.

19. Prevention of investments disproportionate to the socio-economic structure including investment for setting up major units having sophisticated imported industrial technology.
20. Prevention of such research, industrial & scientific expenditures whose national priority has no adequate justification economically or socially.
21. prevention of taking loans from banks in respect of the state-owned industrial firms beyond the limit set in the approved budget of these firms.
22. Prevention of creation of industries whose exploitation is to harm plants & marine life in their environments.
23. Prevention of allocation of vast and extra farmland and forest land for carrying out new industrial projects.
24. Prevention of implementation of new industrial projects whose explanatory studies in technical, financial and economic spheres haven't been carried out.
25. Prevention of carrying out such new industrial projects whose economic returns haven't yet been justified in terms of expenditure and profitability.

Minerals

1. Continuation of projects related to geological studies at national level
2. Continuation of projects related to mineral exploration
3. Continuation, expedition & implementation of projects related to the exploration of special mineral materials such as coal, iron ore, fireproof clay, bauxite, alumina, kaolin, silica, phosphate and uranium
4. Continuation of implementation of projects related to extraction of precious metals & expansion of the related mineral industries
5. Continuation & expedition of the implementation of projects related to the expansion and exploitation of minerals & mineral reserves of the country, and expansion of the related mineral industries such as enrichment of mineral ores
6. Carrying necessary studies & research in order to do away with the problems of mining and to determine adequate methods for exploitation of mines
7. Prevention of mineral exploitation without any justified technical project in order to elongate the period of exploitation and to check the destruction of mines.

Energy

1. To activate the High Council of Energy and the related Technical Committee with a view to undertaking a comprehensive planning in energy and efficient use of all the possible energy resources, to establish a pricing system of different types of energy, to determine a model of production & consumption of energy at national level, and to coordinate the implementation of production and distribution programs of different types of energy
2. To carry out basic research & studies in the field of energy of the country and for preventing all wastage of energy.

Oil & Natural Gas

To devise export policy for crude & oil bye-products based on the major economic, social and cultural development plan of the country 2. Oil production to cater to foreign exchange reserves as also to provide for the energy needed by industry, agriculture and other sectors with due regard to the preservation of national resources 3. Exploration & drilling in order to find new resources, expansion of research to transfer drilling in order to find new resources, expansion of research to transfer new technology, and boosting the technological capability of the country to have access to the self-sufficiency in oil technology, and increase to the maximum the efficiency for utilising the oil resources. 4. To implement natural gas injection projects in oil fields and to amass the accompanying gas for preservation of resources 5. The following priorities are to be followed in respect to crude production: a) To have maximum permissible oil output from common oil reserves along with neighbours in order to provide greater resources for the country b) To have maximum output from the oil resources of the continental shelf with due respect to the proper engineering principles of these reserves c) To produce crude from the oil-rich resources in the South with due regard to the correct principles and maintenance of these resources 6. To rebuild the installations & homes damaged by the war with due regard to the overall strategy on reconstruction and respecting safety measures 7. To speed up the establishment of the 7th oil refinery, projects on oil manufacture, and improvement of the refineries to increase the refining capacity of the country & to meet the domestic needs. 8. To improve the distribution system and to expand the capacity of the reserves for amassing oil products on the basis of more logical and just distribution system, especially in the deprived and farlying regions 9. To further replace natural gas with semi-distillation products 10. To speed up the implementation of the main projects and to complete the projects being implemented in respect to the natural gas refineries to facilitate the transfer of gas to consumption centers 11. To increase the number of natural gas connections for domestic, commercial and industrial use (excluding the industries that can use mazote as fuel) 12. To create facilities & necessary resources for expansion of the use of liquified gas in urban and rural areas 13. To set up research and engineering and designing centers.

Commerce & Services

1. To create a strong control & supervision system in foreign trade and effort to bring it under state control in line with principle 44 of the IRI constitution and through reorganising the Commerce Ministry setup, and setting up purchase & export centers and also servicing companies etc. 2. To support raw material imports for consumer & intermediary goods instead of the import of manufactured items 3. To continue the policy of preventing the import of luxury and non-essential goods 4. To fight hoarding, profiteering, to dismember any network on hoarding in case of basic necessities, in a way that these items reach the hands of the consumer exactly on time, within the minimum period of time and at a suitable price. In this respect, there is to be undertaken planning on equitable distribution of such goods with due regard to the shortages. Also, in order to prevent the duplication in shipment, a revision would be made in the necessary organisations & installations as well

as in the executive ability of the commodity distribution bodies. 5. To make efforts for setting up a health cooperative network mainly to distribute goods and to expand the popular cooperative network 6. To gather on time the goods whose purchase is guaranteed by the government, their preservation and timely supply to the market in order to encourage promotion of expansion, stabilisation of sale price, and elimination of intermediaries & profiteers 7. To revise & reassess the policy of grant of subsidy to essential goods in a way that this policy is aimed at benefitting the domestic producer and the deprived consumer groups, and the financial pressure caused by it on the budget is lessened 8. To create & boost a proper pricing system, and to further expand this pricing and to supervise the approved prices 9. To help promote a moderate Islamic consumer culture, and to seriously combat every sort of covetousness and false demands emanating from the culture of wastage and to launch a drive against the imperialist style propaganda 10. To combat satanic methods of imposing western consumption model 11. To try to lessen consumption expenses in the overall economy, and to encourage investment 12. To promote social "ethics" and values in consumption of foreign goods 13. To emphasise on nongeneralisation of a homogeneous consumption model for all regions and at all levels of the country's population (rural, tribal & urban) 14. To help and encourage absorption of small capital in production and as known commonly to turn the shop into a workshop 15. To help create banking facilities in order to directly absorb savings in commercial investments through the "investment account" etc. 16. To prevent the rise of employees in the commodity distribution network of the private sector with a view to checking price increases 17. To give priority to the export promotion services 18. To give priority to exchanges in the Third World & Muslim states at the level of the products in excess of their domestic needs with due regard to the economy & interests of the country 19. To make efforts aimed at procuring the commodities and raw materials needed by industriess from first hand resources abroad and elimination of intermediaries 20. To make further efforts to improve & expand barter deals with foreign countries 21. To expand activities of the Asian Payments Union through encouraging & promoting the national currencies of these countries in bilateral exchanges 22. To organise seasonal and annual exhibitions and to participate in international exhibitions to the extent where it is unavoidable in nature 23. To make efforts to alter the composition of import goods from consumer to intermediary & capital goods 24. To enact preferential policies to encourage & expand imports 25. To set up representative offices in major trade & exchange centers of the world in relation to the nationalisation of foreign trade. (ETTELA'AT, Nov. 14).

CSO: 4600/129

DISCLOSURES OF SOVIET DEFECTOR DENIED

Tehran IRAN PRESS DIGEST in English 21 Nov 82 p 8

[Text] The statement of Hojjatol Islam Hashemi Rafsanjani coincided with the large-scale provocations that are being made by some Western newspapers about the Irano-Soviet ties. These provocations come under the garb of the issues that are being quoted from the words of the fugitive Soviet diplomat in the Western Press, and among them, some of the clergymen are being accused of having clandestine ties with the Soviets.

Last week, the Soviet diplomat, who sought asylum in London, claimed at a news conference that the secrets of the link with the Soviet Embassy in Tehran were at the disposal of the Tudeh Party and some of the clergymen like Rafsanjani and Khomeini. These views, which were expressed under a pre-planned program and with the intention of harming relations between IRI leaders, were not reflected in Tehran because the IRI officials considered them to be worthless lies that deserved no discussion or exchange of views.

Circles close to the Soviets believe that Kuzichkin had, since long, been in contact with the Western spy agents and since he had been recognised lately, he suddenly disappeared last summer. In the opinion of these circles, the Western espionage and propaganda agencies are trying to exploit the issue of the escape of the Soviet diplomat with a view to disrupting the Irano-Soviet ties, but the rational & logical policy, adopted by the two sides in the face of these provocations has neutralised Western designs.

Despite this, private reports say that the IRI intelligence agencies are closely pursuing & reviewing the statements of the Soviet diplomat so as to make use of any realities that might exist in them.

CSO: 4600/129

MULLAHS PREPARE FOR NEW HARD BARGAINING ON WAR

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 p 1

[Text] Any end to the war with Iraq looked further away than ever in Tehran this week. Informed sources told IPS that recent fighting at the war front had convinced Iran's military chiefs that the Iraqi forces pose no offensive threat for the future and that a really determined Iranian effort could, in the long run, produce a certain victory and an equally certain fall from power of Iraqi president Saddam Husain.

Khomeini and his aides are said now to be convinced in turn that there is sufficient public resentment of the Iraqis to allow them to continue the war providing they find the propaganda means to keep the country with them. The upcoming new Arab peace bid will be conducted, they now feel, at a time when the Arabs will finally have realised that Iraq cannot win and that the long term effects of the war could be not only the fall of the Saddam government and Iraq coming under the control of Islamic fundamentalists but a decisive swing of opinion against Arab leaders.

"The Iranians have seen the wave of disgust that has spread across the Arab world over the inability of Arab countries to help Lebanon or the Palestinians against the Israelis," a diplomat recently in Tehran said. "They know that if Iraq is defeated then Arab public opinion will become dangerously inflamed to a degree which the Tehran mullahs can exploit to colossal advantage. If there is one thing the mullah leadership in Tehran is sincere in, it's their belief that they have been chosen to save the Muslim world and that exercises them much more than the condition or the future of the Iranian people themselves."

Thus the new peace efforts led by Algeria once again and expected to be launched next week will be crucial for the Arabs of the Persian Gulf, observers feel. Reports have suggested that Saudi Arabia and other states may offer more advantages to Iran, especially on the economic and financial fronts, together political benefits which could help the regime to stabilise itself. Tehran has continued this week to insist that Saddam's head must roll as part of any deal, however.

The concern now being felt in Baghdad over the poor performance of Iraqi troops and the real threat that is posed by the Iranian superiority in the long run is confirmed by Arab sources. So far, too, there has been no sign that other Arab countries can help in any effective military way. Syria, the only nation that could, is as implacably opposed to Saddam as is Khomeini. It is also now accepted that in spite of any western sanctions arms and military equipment can still find its way in adequate quantity to Iran.

Meanwhile, the mullahs have launched a Supreme Council of the Islamic Revolution of Iraq under exiled religious leader Hojatoleslam Mohammad Baqir Hakin, in the Iranian capital. Tehran observers saw the demonstrations staged by the regime in Iraq as a response to the new feeling of insecurity engendered by the fine showing of the Iranian forces last week, and a realisation that public opinion in Iraq is growing increasingly anxious about the war.

CSO: 4600/117

'DO NOT BE FOOLED BY BAZARGAN,' CLANDESTINE OPPOSITION GROUP WARNS

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 pp 6, 7

[Text] The Iran Civil Servants Association, a clandestine association of Iranian technocrats opposed to the Islamic republic has warned Iranians not to be fooled by former 'liberal' premier Mehdi Bazargan's recent protests to the Islamic rulers. The warning was in reference to letters which Bazargan has written to Majlis Speaker Hashemi Rafsanjani.

"Bazargan's record is well-known," the newly circulated open letter says. "He is that traitor who obtained his premiership from murderer Khomeini in Aban 1357 (November 1978) but kept it a secret during the troubled days of so-called revolution.

"He is the same traitor who fooled the people to accept Khomeini, who provided the first opportunity to Khomeini and his killers to deceive the people and grab seats of power one by one.

"Now the same traitor has been writing letters to Rafsanjani. In his letters Bazargan does not hesitate to pledge his loyalty to Khomeini and his regime. He begs to be accepted as a guide to the regime, to tell mullahs where they are committing too many mistakes, to enlighten the mullahs as to how to go about their murderous acts without raising too many eyebrows in western countries."

In the letter the association explains the record of Bazargan's cabinet and his willingness to be accepted to the discredited Majlis as a deputy. It also refers to the fact that such colleagues of Bazargan as Kazem Sami and Ali Shariat-Madari (respectively Bazargan's ministers of health and higher education) are closely working with the Khomeini regime.

"Now apparently Mr Engineer (a reference to Bazargan) is trying to do his best to save the Islamic republic by telling the mullahs how to kill the Iranians and to ruin the country without being exposed to criticism from liberals in the western countries. Bazargan is trying to make himself acceptable as a replacement to the present Islamic rulers if and when the foreign bosses of Khomeini decided to bring about a change in Iran.

"There is a danger that the credulous Iranians who have suffered so much under Khomeini may be inclined to prefer a lesser devil like Bazargan to the bigger devil like Khomeini. We must warn on this point. If Bazargan was really a patriot he would have stood up to Khomeini in the very beginning. But he was meek and a traitor."

The association declares that the Khomeini regime is on the verge of collapse. Its authority does not extend beyond Khomeini's house in Jamaran, it says. Each minister, mullah and official knows that he is living his last days in office. So they welcome Bazargan offering to help save them as he did in February of 1979. It then concludes by asserting that the collapse of Khomeini's rule will be total and final." Khomeini and all his vestiges must be eradicated from the face of Iran. Khomeini is a pile of dirt which must be thrown back at those imperialists who gave it to Iran," the letter says.

CSO: 4600/117

PAPER ATTACKS 'ECONOMIC TERRORISTS'

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 pp 7, 8

[Text] In a feature article the newspaper Ettelaat recently said that "wealthy monarchist elements" were in collaboration with a number of merchants to wage economic terrorism against the Islamic revolution.

The paper said the hoarders were able to import essential goods from western countries with the assistance of wealthy monarchists abroad. The goods were then hoarded in special warehouses before being released to the smugglers to be sold at high prices.

Simultaneously, other "taghoutis" would queue up at shops to demonstrate to the people that there was a shortage of goods. Others would mingle with the people in crowded places to disseminate anti-regime propaganda and rumour. They would often start a conversation by referring to high prices and shortage of goods--things which they had themselves created.

The paper claimed that economic terrorists had specific political targets in mind when they resort to hoarding and profiteering. They wanted to discredit the regime and to prove to the people that the Islamic republic was unable to provide essential goods.

"We must not allow such targets to be achieved," it said. "We must learn from the experience of the other Islamic regimes such as Libya, Syria and Algeria, where economic terrorism and economic domination by the imperialist and exploiting countries have been eliminated."

The paper suggested that the best way to fight economic terrorists was up cooperatives at production and consumption levels. This was the most effective way to eliminate the middlemen and bring goods directly from producers to consumers. This had been experimented with in Libya with very good results, it said.

CSO: 4600/117

IRAN

TEHRAN RADIO THREATENS OMAN

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 p 7

[Text] In a commentary on Tehran Radio last week the Khomeini regime threatened the Omani authorities that Iran would "adopt appropriate measures" if the planned joint manoeuvres of the Arab and American armies were held.

The commentator said that the manoeuvres were designed to intimidate and oppose Iran's Islamic revolution. It was a joint action planned by the American and Israeli governments with the cooperation of "treacherous elements" among reactionary Arab rulers, to silence the voices of Islamic revolution in the region.

"America is afraid of Islam," he said. "America fears Islam because it is Islam which can eliminate American imperialism and its bastard child, Israel, from the area."

He claimed the joint manoeuvres were a ploy to bring American troops to the Islamic lands to crush the Islamic revolutionary movements in the region. "We will call on our followers in the region to rise against their rulers who are no more than obedient servants of America," he said.

CSO: 4600/117.

PROSPECTS FOR ASSEMBLY FOR REVOLUTION IN IRAQ EXAMINED

Tehran IRAN PRESS DIGEST in English 21 Nov 82 pp 5-7

[Text] On November 17th, Hojjatol Islam Hakeem, who is recognised as the leader of the Iraqi Shi'ites, held an unscheduled news conference at which he announced to the general public the formation of the "Supreme Assembly of the Islamic Revolution of Iraq" (SAIRI). During this interview, though some questions of reporters were duly answered and an announcement regarding the formation of the Assembly, bearing the date of the same day, was put at their disposal, there however, were left some questions unanswered, for instance: Since when has the SAIRI been set up?; Who are the constituting members of this Assembly and by whome have they been chosen?; and where lies the venue for holding the sessions of this Assembly and on what occasions does it go into session?

Hojjatol Islam Hakeem, who is the Secretary of Iraq's Military Clergy Society announced himself to be the spokesman of the SAIRI and said: "The formation of SAIRI of Iraq was undertaken a long time ago, and this Assembly was set up prior to the recent victories". He, however, added: "The victory of the combatants of Islam was greatly effective in the establishment of this Supreme Assembly" (Jomhuri Islami Nov. 18). Regarding the objective behind the formation of the Assembly, he pointed out: the objective is to lead the struggle of the Iraqi people and to topple the Saddam regime.

The statement, released in connection with the formation of the Assembly, has said: the Assembly is adherent to the IRI principle of "Neither East, Nor West", includes all the forces, faithful to Islam, such as the Sunnis the Shi'ites, the Kurds, the Arabs, and the Turcomans; and recognises IRI as the 'origin' and base of the global Islamic Revolution". The Supreme Assembly believes that the form of the government and future leadership in Iraq should be determined, following the downfall of the present regime, by the Muslim nation of Iraq alone, but, at the same time, it is confident that the Iraqi Muslims "would choose nothing other than the Islamic regime and the Islamic leadership" (ETTELA'AT, Nov. 17).

Observers in Tehran attach great significance to the formation of this Assembly. In their opinion, such an Assembly had practically been set up a long time ago in Iran but its announcement at this time and in this form could have been prompted by several reasons including the following:

- a. The reports that have been received here on the shaky condition of Saddam Hossein which indicate that the Ba'athist Party plans to replace him with another of its influential individual;
- b. The recent speech by Saddam in the Assembly of that country wherein a proposal was made to hold a referendum and the demonstrations held by the supporters of Saddam in its wake; and
- c. Recent contacts with the Iraqi Kurds and soliciting their support for joining a common front against Saddam.

Unofficial reports say that it was earlier planned to announce the formation of the Supreme Assembly, at this very time, in the Iraqi city of Mandali, and to declare this city as the main base for later operations of the strugglers. However, since the plans to occupy Mandali were postponed to a later date, this announcement was made in Tehran.

Hojjatol Islam Hashemi Rafsanjani, in his last Friday prayers sermon (Nov. 19) explicitly announced that a base within the Iranian soil would be put at the disposal of the SAIRI so that it could carry out its combat operations against Saddam from there. In his news conference, Hakeem said that the Iraqi Prisoners of War can voluntarily join the Islamic combatants of Iraq.

In the light of the above factors, the SAIRI should be considered as a revolutionary war council for guidance and organising the combatant Iraqi forces. In this council, most probably the representatives of Kurds (Jalal Talenbani & others), and the Sunnis would also join the Shi'ite representatives. The posture of the communists and other forces vis-a-vis the formation of the Supreme Assembly is not yet evident.

At the conclusion of the first announcement by the Supreme Assembly, it has been said: "The Iraqi Muslim people, the Islamic Ummah, and all the victorious and authentic forces of the world are being hereby invited to shoulder the historical responsibilities of this fateful hour and for making serious efforts to topple the satanic & criminal regime. It is a regime that has imposed catastrophies, devastation, atheism and association with the super powers upon the Iraqi people. It is the duty of all and sundry to keep away from the imperialist designs and plots that are being undertaken in order to replace this regime with some other suspiciously installed puppets" (ETTELA'AT, Nov. 17).

CSO: 4600/129

BIOGRAPHIES OF GOVERNMENT OFFICIALS PUBLISHED

Tehran IRAN PRESS DIGEST in English 11, 23 Nov 82 pp 16-18

[Text] RAFIGH DOUST, Mohsen

BORN: 1940-Tehran.

POSITION: Minister of Islamic Revolutionary Guards Corps (IRGC) since November 7, 1982.

EDUCATION: Began his secondary education in Tehran but was expelled from school for being politically active (1954), and continued his education as part time student.

POLITICAL ACTIVITY: Began his political career in 1962 and was associated with Andarz-Goo. He was one of the 15 students selected by Ayatollah Beheshti, to be trained Islamic Ideology.

He was arrested 1976 and was imprisoned for two years.

During the Revolution he was active in organization demonstrations. During the arrival of Imam Khomieni he was the "Wellcoming Committee" of Imam Khomieni.

After the Revolution he became a member of IRGC and was responsible for organization of IRGC. From the beginning he was active in writting the constitution of IRGC, which was approved by Revolutionary Council.

HOJJATOLESLAM AJAI'E, Javad

BORN: 1948-Isfahan.

POSITION: Member of State in charge of Social Welfare Organization since November 7, 1982.

FAMILY BACKGROUND: Religious Family.

EDUCATION: Completed primary and secondary education in Isfahan. Completed a course of psychology in the university of Isfahan.

CAREER: While studying in university he taught in night classes in Training Center of "World of Islam".

After obtaining B.A. from university, and serving two years in the army he was employed in Ministry of Education in Shahreza.

POLITICAL ACTIVITY: He was politically active while teaching in Training Center of "World of Islam". This center was eventually closed by SAVAK.

He attempted to rebuild and reorganize a mosque in which his father was a prayer leader. The mosque was called Imam Ali Mosque. This mosque became a center of his political activities and a place of attraction of religious forces and supporters.

He was in direct contact with Ayatollah Beheshti, and travelled to Hamburg under the guise of continuation of education, but in reality to be active in Hamburg Islamic Center, which was supervised by Ayatollah Beheshti. In Hamburg he organized the activities of Islamic students in Europe. After a year he went to Austria and achieved a P.hd in Psychology from the university of Vienna.

After his return to Iran he was employed in Foreign Ministry

In July 1982 he was appointed as the undersecretary of the Minister of State for Executive Affairs.

TRAVEL: European countries.

LANGUAGE: German, Arabic.

AKRAMI, Seyad Kazem

BORN: 1940-Hamedan.

FAMILY BACKGROUND: His father was a Carpet-Seller.

EDUCATION: M.A. in Consultation and Guidance Course.

CAREER: Before Revolution: Teacher and advisor of secondary schools.

After Revolution: Deputy of Guidance college, Head of Guidance college, Head of Guidance college, Head of Education and Training college in Hamadan Province. Member of Education & Training Commission.

LANGUAGE: Arabic, English.

PUBLICATION: Islamic Culture Pamphlet.

ALSEYED GHAFOUR, Seyed Mohammad-Taghi

BORN: 1955, Shooshtar, Khouzistan Provinve.

FAMILY BACKGROUND: Religious family-father a clergyman.

CAREER: Before Revolution: Student of Gehrani university.

After Revolution: Teacher, Member of Construction Crusad (Jahhad), member of Islamic Corps. Member of Islamic Society. Member of Defence Affairs Commission in Majlis.

LANGUAGE: Arabic, English.

PUBLICATION: The Method of Invitation, Imam Zainol-Abedin.

AMANI-HAMADANI, Sa'eid

BORN: 1915-Tehran.

FAMILY BACKGROUND: Religious Family.

EDUCATION: Completed Primary school.

CAREER: Before Revolution: Commercial Affairs.

After Revolution: Guild Affairs Committee. Member of Commercial Commission in Majlis.

TRAVEL: Saudi Arabia, Iraq, Syria, Lebanon.

ALEHBEDASHTI, Abolhasham

BORN: 1951, Kelardasht, Mazandaran Province.

FAMILY BACKGROUND: Religious family, father a clergyman.

EDUCATION: Secondary school in Natural Sciences.

CAREER: Before Revolution: Teacher and teaching in Oam Ellmyeh.

After Revolution: Deputy & Responsible of Islamic corps in Education Affairs and Islamic Guidance. Head of Islamic Revolutionary Court, Head of Board of Directors of Land Affairs. Judge of Islamic Court.

LANGUAGE: Arabic.

TRAVEL: Saudi Arabia.

CSO: 4600/129

HAKIM SAYS IRAQIS SUPPORT ESTABLISHMENT OF ISLAMIC RULE

Tehran TEHRAN TIMES in English 25 Nov 82 p 1

[Text]

TEHRAN (IRNA) -- The spokesman for the Iraqi Revolutionary Council said in an interview published here Tuesday that he had no doubts about the Iraq people's desire for the establishment of an Islamic government, but nevertheless he said that the issue should be put to a national referendum.

Hojjatolislam Seyyed Mohammad Baqir Hakim said in an interview with the daily Persian "Ettela'at" published yesterday that the Iraqi Revolutionary Council (IRC) was not a government in exile but a gathering of committed Iraqi religious personalities which would lead the struggle for the overthrow of the ruling Iraqi regime.

He said the IRC was not a coalition of different political groups rather it was a collection of Moslem personalities who followed a specific aim, ideology and policy. However, he added, that the members of the IRC could be from a political group but they were only considered as an individual in the council and not as a representative of that group.

The IRC had actually been formed a number of months ago. Hakim said the first official announcement of its formation came on November 17th.

He told the paper that the IRC was willing to cooperate in a serious way with non-Islamic groups who were honest and genuine in their struggle against the Iraqi regime. "We are prepared to cooperate with all forces who are making an effort to achieve the objective of overthrowing the Baghdad regime," Hakim said.

Concerning its plans to be followed after Saddam's fall, Hakim said the IRC was making efforts towards the establishment of an Islamic government in Iraq which would follow a "neither East nor West" policy in its relations with other countries of the world and revive Iraq's agriculture, which had been destroyed despite its suitability and potentials. He said that the over production of oil would only serve the interests of foreign powers and is of no benefit to the Iraqi people.

On relations with regional Arab countries, the Iraqi spokesman said the people of

the region had common interests since all had been victims of military, cultural and economic aggression by imperialism. "The countries which defended the interests of the people of the region and which had a policy of confronting world arrogance in the region would naturally compel us to have a different policy towards them," he said.

Commenting on Majlis Speaker Rafsanjani's recent call for the granting of military bases to the Iraqi exiles near the border with Iraq, Hakim said that Saddam could not be overthrown by mere political means but he added that "the red line of martyrdom and an armed struggle for the sake of the Iraqi regime's destruction should also be paved and therefore the existence of military bases can be viewed as a necessary demand," he said. "From the point of view of this council the realization of these determined aims is not possible but through armed struggle."

He also said that the Iraqi people should pay attention to Imam Khomeini's guidances because he was an example of a true Moslem leader.

RAFSANJANI ELABORATES ON DUTIES OF ASSEMBLY OF EXPERTS

Tehran TEHRAN TIMES in English 24 Nov 82 pp 1, 4

[Text]

TEHRAN (IRNA) Hojjatoleslam Hashemi Rafsanjani, the Speaker of the Islamic Consultative Assembly gave a press conference regarding the various issues covering the elections for the Assembly of Experts due to held on December 10. Following is the complete text of questions put by reporters and Rafsanjani's replies:

Q: In your opinion, what are the qualifications that people ought to consider as appropriate when electing the members of the Assembly of Experts?

A: In the Name of God the most Merciful and the most compassionate: The qualifications of the candidates will have to be examined by the Guardian Council. The qualifications of candidates who have registered to appear shall be examined by the Assembly of Experts and those who are suitable shall be declared fit for candidature and people can then vote for their choice of any one of the candidates so approved.

Q: In view of the Imam's emphasis on the people's participation in these elections, what is your opinion on the need for such an Assembly?

A: The need for an Assembly of Experts is provided for by the Constitution in the relevant Articles. It is related to the Articles on the selection of the leader, the Wali-e-Faqih, who forms the very center around whom our entire (religio-political) system revolves and it is from the Wali-e-Faqih that the various organs of the Islamic Republic acquire their legitimacy.

In conditions where a theologian fails to meet the conditions set out by the Constitution, the Assembly of Experts has the duty to select a leader and a Leadership Council. This responsibility of the Assembly of Experts though it does not involve any great work quantitatively is very important qualitatively. That is why the qualifications laid down for the individuals who will be members of this Assembly should be such as to measure up to criteria of the highest capability.

Q: Are there any similarities between this Assembly and the Majlis and the Guardians Council?

A: It differs from these other groups in that its sole aim is to select the leader in

case the people's consensus does not favor one authority. Besides, if there should later arise any doubts about any of the members of the leadership Council or the leader, then the responsibility of the Assembly of Experts is invoked.

For the first Assembly of Experts, the Guardians Council lays down the regulations but later, when it is constituted, it will make rules for its own functioning and may hold sessions once, or twice in a year.

Q: Lately Ayatollah Taheri, the Friday Prayer Leader of Isfahan has said that whatever applies in respect of people's support for Imam Khomeini is also applicable in the case of Ayatollah Montazeri. A number of other important personalities hold the same view: what is your opinion in this matter?

A: It seems to me that the attention of the people, among the Ulema, is more directed towards Ayatollah Montazeri, among the Ulema. However, you will have to differentiate leadership of the country from Taqlid (following a theological authority in religious matters). That is, it is possible that some may lean to-

wards another authority in the matter of Taqlid while for the leadership of country they might have Ayatollah Montazeri in their mind; though it is possible that the majority may select him for Taqlid too. But I don't wish to talk anymore on this aspect of the issue.

If the opinion of the others is same as mine, that is that the majority of people are in agreement about Ayatollahuluzma Montazeri, then the matter becomes very simple, and that simplifies the task of the Assembly of Experts ... it will be same as when nobody was asked to appoint the Imam to leadership. The people chose the Imam and the Constitution declares the same thing and what Ayatollah Taheri has said is connected with the 107th Article of the Constitution which says "When one authority fulfilling the condition of a following by an overwhelming majority of people is not present, then three of five competent authorities who meet the conditions of leadership will be chosen for the post of the Leadership Council and they will be introduced to the people."

The view of Ayatollah Taheri was exactly this, that if the majority of people have accepted Ayatollah Montazeri, then the issue is no longer connected with the Assembly of Experts.

But if such is not the case then the Assembly of Experts should give its decision.

Q: Would the decisions of the Assembly of Experts have to be approved by the Guardians Council?

A: Such a thing does not exist in the Constitution and is relevant only in the case of the Majlis whose decisions have to

be approved by the Guardians Council.

Q: In his book Wilayat-e-Faqih, Imam Khomeini has said that the Wali-e-Faqih has all the powers of the Messenger of God. Accordingly, the right to choose the successor is reserved by the Wali-e-Faqih. Why has the Constitution not taken into account this matter? And why is the Imam not asked to introduce his successor?

A: It is true that the Constitution does not foresee such a thing and the Imam too has approved it and presently the Constitution holds its validity. Secondly, the Imam does not want to deprive the people from choosing their own leader and his wish is that the people should participate actively in the choice of their own leader. The issue is very important, especially so if the masses accept a certain individual, even the Assembly of Experts cannot intervene. This shows a confidence in the masses and respect for public opinion and is a very good thing.

Q: During the Friday prayer speech you said that if the people accept a certain authority, then there will be no need for the Assembly of Experts. On this basis will there be no need for the Assembly of Experts to check on his qualifications to see if they agree with the Constitution?

A: No. That is if the people decide on one man, as in the case of Imam, the Assembly of Experts cannot examine whether his popular support is true or not. It can interfere only when there is doubt as to whether the leader satisfies the qualifications laid down by the Constitution.

In any case, the Assembly of Experts should come into existence. Firstly, its

presence will be heartening for the people and serve as an anchor for society. As long as it is there, there will exist no fear of any vacuum of leadership. Whenever, as a matter of accident, if such a vacuum comes to exist, the Assembly of Experts will hold sessions and solve the problem within two or three days.

On this basis, the establishment of the Assembly of Experts is most important and necessary. Because no one can prophesy about the future; though we are hopeful that we will have no leader besides Imam Khomeini. The elections held now will be confirmed by Imam Khomeini and this would give a sacred status to the Assembly in the eyes of the people.

Q: Will it have power to amend the Constitution?

A: According to the Constitution, it has no such powers. It is different from the first Assembly of Experts which approved the Constitution. Unfortunately, the Constitution does not foresee what authority can make amendments in and this is a shortcoming and a problem to be solved in the future. But today, the authority with the right to amend the Constitution is not known.

Q: Has the IRP decided on its candidates for this election?

A: As you can perceive without difficulty, the issue is one which demands theological expertise. The IRP being a body comprising mostly of non-theologians did not see fit to interfere in this issue. But we are waiting for the names of persons who have registered to be declared and to be approved by the Guardian Council. Then the IRP shall declare its specific support for

those candidates in whom we have greater trust. However, it did not name its own candidates leaving the task to the clergy.

Q: As you know the Assembly of Experts is elected for a term of 8 years. In this comparatively long period there exists the possibility of death or change of convictions on the part of the members. What can you foresee in this regard?

A: The Assembly of Experts will itself take decisions about these issues.

Q: With the relatively short period at our disposal and the little opportunity for the people to know about the candidates, what are your predictions about how the masses will welcome those elections?

A: Ten or fifteen days is not a short period. Secondly, the candidates are mostly people who are well known. They are jurists, ulemas and orators, who have spent their lives in the service of the people in their constituencies. Even children know about them.

Asked whether the Assembly of Experts shall choose the leader as soon as it is elected, or will do so only when the need occurs, Rafsanjani replied: "At the start, the Assembly would have nothing to do as long as the present leader is alive and his leadership continues. Presently it is only a safeguard for the future. The future can be said to have three possibilities: Firstly that, God willing, the Imam may remain to guide this generation and the next. Secondly, if anything happens and he is not there, the people will choose their leader without any interference on the part of the Assembly of Experts. Thirdly, if the people remain undecided on the leadership issue, the Assembly will call a session and decide the issue for the country. Here again there are two alternative courses: firstly, the members of the Assembly may decide on one man and in that case we will have one leader or they may decide on three or five authorities and in that case we shall have a Leadership Council."

U.S.-ENGINEERED 'COUP' FORECAST FOR BAGHDAD

Tehran TEHRAN TIMES in English 20 Nov 82 pp 1, 4

[Text]

KUWAIT (IRNA) -- U.S. agents in Iraq are busy engineering a fabricated coup d'etat in that country following the disgraceful continuing defeats of the Iraqi Army led by Saddam Hussein and the Baath Party reliable sources reported.

Major General Erim, who was close to the former monarchical Iraqi regime and Brigadier General Muhammad Sadiq Shenshel, a Leftist and nationalist who both played a role in the Iraqi aggression against the Islamic Republic have been delegated to lead the Sham coup d'etat, the report added.

The sources said that the former Iraqi President Hassan al-Bakr who had criticized the Iraqi regime for commencing the war against Iran, had been chosen to rule over the country.

Al-Bakr, refusing the offer, had said that he could not play a role in rebuilding the country ruined by Saddam. Four days later Saddam announced the report on Al-Bakr's fabrication.

Meanwhile, several Iraqi officers, including two pilots, a number of movie and theatre

players were also among the refugees.

The publication organ of the Iraqi revolutionaries, officially printed here, in its recent issue reported the handing over of bodies of 750 Iraqi revolutionaries to their families, who had been executed by the Iraqi regime.

The report said that the bodies were only a fraction of the 4,000 Moslem Iraqi combatants who were recently executed by Saddam's regime and were awaiting burial.

The publication, quoting Sudanese sources, wrote that a chaotic state was prevailing in the country after Sudanese Ruler Jaafar Numeiri's announcement, that 10,000 Sudanese troops would be dispatched to help Saddam's defeated army.

Later Numeiri, retracted his statements and declared that he would only dispatch volunteer forces.

It is said that a large number of families of Sudanese officers had gathered in front of a number of military garrisons and condemned this vicious act announcing that they would mutiny in case this measure was put in practice.

IRAN

SHAIKH EZZEDIN SAYS KHOMEYNI LOSING HIS GRIP ON IRAN

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 p 8

[Text] Left of centre Kurdish religious leader Shaikh Ezzedin Hussaini conceded this week that Iran government forces had made some progress in fighting against Kurdish guerrillas but said that this was of limited importance since Khomeini is losing on his home ground.

His remarks came as Kurdish Democratic Party of Iran sources in Paris denied a Tehran radio claim that they had seized a base of the KDPI which housed its radio station. "We have already issued a denial of the report over that radio," a spokesman said.

The spokesman estimated that around 80,000 men were involved on the government side in war against the Kurds. These men would have made a big difference to the war with Iraq if they had been able to go and fight there instead of dealing with problems at home, he contended.

Shaikh Ezzedin said that Khomeini's hold on power in Iran was no longer tenable and he was now on his way out.

He also stressed that he had no aspirations for complete autonomy for the Kurds of Iran and he felt that those who did have were not doing any service to the Kurdish cause. He realised, however, that there were strong aspirations for autonomy among the KDPI and Qomala groups. What the majority of Kurds wanted was freedom of cultural expression, the right and opportunity to use their own language alongside Persian.

The Shaikh also criticised the Khomeini government for forcing Kurdish families to migrate to the Isfahan area and other parts of Iran.

He added a fierce condemnation of Khomeini as having no claims to be a Muslim. "There is always the chance to misuse any religion," he said, ".... but Khomeini is misusing Islam cynically and viciously."

CSO: 4600/117

SHAH'S DEVOUTLY MUSLIM NEPHEW WARNS OF 'RED CLERGY'

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 pp 8, 9

[Text] A nephew of the late Shah who remained in Iran for three years following the revolution, Prince Ali "Patric" Pahlavi, claims that the majority of the country's clergy are opposed to Khomeini's policies. But he warns that if they are not saved from the onslaught of what he called the "red clergy" they could be eradicated and the country would be lost to the Soviet Union.

The Prince, who lived modestly on a farm in northern Iran before and after the revolution, has long enjoyed a reputation of being a good Muslim and he formally added the name Islami to his title some years ago. Later he made the addition into Islami-Asl (True Muslim) to stress his devotion to the faith. He is the son of an older brother of the Shah who died in an air crash many years ago and at one time, before the Shah's own son and heir, the present Shah was born he was considered as a possibility for the role of crown prince.

Prince Ali claims to belong to a group which he refused to identify but which, he said, had established wide links with the army, pasdars, clergy, police and some personalities working closely with the regime.

He himself had to be taken out of the country soon after he had been named among 174 "feudalists" whom prosecutor Assandollah Lajevardi announced were to be tried by the notorious hanging judge Sadegh Khalkhali told IPS in an exclusive interview which will be printed in the next issue.

Prince Ali warned of the threat to Iran posed by the Tudeh party and pro-Soviet people who had found jobs in all areas of the administration. For example, Ehsan Tabari, a leading Tudeh activist, was a commentator with the State radio, a short while ago. (Recent reports have claimed Tabari may have been arrested following revelations by a defectint KGB agent in Tehran but nothing has been confirmed).

CSO: 4600/117

IRANIAN FORCES WILL OUTLAST IRAQIS, SAYS EXILE OFFICER

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 pp 4-6

[Text] A long-serving Iranian officer now in exile says that the recent Moharram offensive launched by the Iranian army has demonstrated that the Iraqi armed forces do not have the standards or toughness necessary to continue the war indefinitely.

On the other hand, he says, the Iranian army whose own officers are credited with planning this latest attack without any help or interference from the non-professional side, is showing that it has retained sufficient of its pre-revolutionary structure to not only continue to fight but to do so constructively and progressively after a long campaign.

"The inference from this must be that whatever correspondents and pundits say about the Iranians' war-weariness they are not likely to crack in the future," he told IPs. "The break-up of some key Iraqi units in the latest attack, in spite of their superior fire power and easier logistics suggests we must rethink ideas that the Iranian forces may themselves pack up."

The officer said that the Iranian forces had taken into account the early British training of the Iraqi forces with emphasis on the building up of a hard core of efficient and professional NCOs and the fact that they had had battle experience against Kurds and Israelis when it had tried to assess the strength of the Iraqi forces at the outset of the war.

"Of course, we also had in mind the problems which had hit our forces: politicisation of the Iranian army since the 1978 coup, repeated purges and finally a switch from Western weapons systems to Soviet army had all had a negative impact." As a result it was felt that the Iraqis enjoyed a bigger advantage than was justified. What had been forgotten was that during the Shah's time some limited operations had shown that man for man Iranian troops were superior to the Iraqis and that the Iranian air force at that time was far more effective than that of the Iraqis.

"During the time of tension between the two countries prior to the 1975 Algiers Agreement, the Iranian army on several occasions tested the capability of the Iraqi forces by provoking border clashes," he said. Both sides kept these incidents at low key.

"We learned that the Iraqi air force was too weak to match ours," he said. "We also learned that man-for-man Iranian infantry and armoured units were much superior."

He believes that was also the realisation in Iraq and as a result Saddam Hassein decided to call off his belligerency and accept the Shah's terms for an agreement. "This is a fact which must not be forgotten. The Shah was not only a good politician then but he was also an excellent architect in building and shaping up one of the best armies in the so-called Third World.

"Before the revolution the Iranian army had a great pool of talent in its officer corps up to the rank of major general though the efficiency below the rank of general was much better.

"It also had an excellent non-combatant pool of expertise to provide technical back-up. The efficiency of many of the junior officers was not all that good, but still better than most armies," he said.

He said the army proved its professionalism during the revolution by not shooting at civilians and then switching its loyalty intact to the Bakhtari and then Bazargan governments as each became a legally accepted authority.

But the lack of political awareness worked against the army as gangs of Mojahedin and Fedayeen-e-Khalqmeq encouraged by the Soviets and Palestinians and no doubt Iraqi agents embarked on annihilation of the Iranian army.

He claimed that Iraqi agents masquerading as Palestinians and Iranian revolutionaries took part in the destruction of the army. His own unit was attacked by armed men whose Persian was spoken with an Arabic accent, he said. These elements had collaborators among some NCOs as well as mullahs.

The revolution did more harm to the army than the subsequent Iraqi attack. The initial success of the Iraqi attack in Khuzestan and the west of Iran was due to some misconception on the part of the Iranian officers who believed their own comrades--royalists and Bakhiai supporters--were coming to topple the mullahs.

It was later that the officers realised that Saddam was on a mission of conquest in Khuzestan. Even then the army was not allowed to show its full strength because of Bani-Sadr's stupidity.

"My information is that Bani-Sadr was trying to politicise the army for his own sake," he said. But the army was not interested in being dragged into the mullah-crazy politics.

After Bani-Sadr, he said, Khomeini kept the mullahs away from the army. As a result, the army began to fight well and a succession of victories followed until Khorranshahr was freed.

"Then it seems Iran's stock of weapons began to run out and the mullah failed to replenish them," he said. "The air force and the navy have been very badly hit by arms embargoes and their stocks cannot be made good by North Korean or Syrian deliveries.

"But the army is flexible and has learned to use artillery pieces and armoured vehicles of various makes. As a result, now the fighting is done by the army while the air force and navy are virtually idle," he said.

"This is a tribute to the army's effectiveness in that it is fighting the Iraqis without air cover or naval back-up. Of course it also demonstrates the weakness of the Iraqi air force which cannot give battle ground protection to its ground forces.

"The Ramazan offensive on Basea failed not because of Iraqi air power but because of strategic mistakes by the commanders of the army and militia. They did everything according to North Korean text books and the Iraqis knew it.

"The Mandah attack was also carried out in the same way, though with less persistence. But the Moharram offensive was launched differently. Here the strategy seems to have been planned by the professional officers of former times.

"The strategy was to avoid casualties by sending in spearhead units in small numbers one after the other. This was how we had learned it at Staff college. In this way the Iraqi superiority in fire power was made ineffective and at the same time their stamina was exhausted, especially as the pressure was kept up. That explains why the Iraqis cracked up after their initial good showing," he said.

He believes Iran's reserve of manpower and a basically efficient arms industry which can keep on supplying the ground forces for a considerable time will make it possible for the mullahs to fight on and wear out the Iraqi strength. Assistance by other Arab regimes will not change the picture because they can only contribute with token units.

"The Arab countries, including Egypt, are not capable of fighting in unfamiliar terrain away from their home base," the officer said. Remember how the Egyptians failed in Yemen in the 1960's. It is a problem of logistics, ability to coordinate operations between units from different Arab peoples and sheer efficiency which the Arabs lack.

"In the 1973 war the Egyptians and Syrians did not fight Israel together-- each one fought on a different front and their only achievement in joint operations was to time their attacks well. Later they failed to coordinate their operations well enough to deny Israel mobility.

"If these Arabs fight Iran together their failure will be even worse, because they will all crowd at the same front and confuse each other.

"So it is really Iran versus Iraq, with Iran having superiority in numbers and fighting techniques which can overpower Iraqis' better weapons given Iraqi inefficiency.

"Moreover, Iranians are more motivated to fight than the Iraqis--the Iranian army wants to fight to keep out of the mullahs' way, the revolutionary militia wants to fight to outshine the army."

He said the only way the Iraqis and other Arabs could force Iran to make peace was to make war a political disadvantage for the mullahs. The key to peace must be found in Tehran or Damascus.

"The Iranian army's officers are generally opposed to Khomeini," he said. "They are also opposed to all other political groups which is one reason why the army has not acted against the mullahs."

He believes the situation may change once Khomeini is no longer out the helm. No other mullah is big enough to fill in Khomeini's shoes," he said. "After Khomeini the army will look for a father-figure unless the mullahs manage to break it up before then," he said. "That will be a difficult job."

CSO: 4600/117

TENSION MOUNTS AGAIN AMONG CIVIL SERVANTS

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 pp 2-4

[Text] Bureaucratic inefficiency is causing widespread tension and anger among the public having to deal with state and local government offices in Iran, reports say.

To obtain a building permit, a license for buying construction materials or to get papers signed by officials means a wait for weeks on end, the public is complaining.

A merchant said recently that never during the 80 years of modern civil service has the Iranian administration been so inefficient and disruptive. People try to avoid calling on government offices as much as possible, he said.

There is also a marked lack of coordination among the various departments and decision-making channels. For instance, the Economic Mobilisation Office must issue coupons for rationing and then have them distributed either through mosques or through other non-governmental bodies. Invariably coupons are distributed by mosques, but when the holders call on the shops and stores to buy goods they are told that there are no goods to be sold in exchange for coupons.

Officials are also arrogant towards subordinates. Those civil servants who have worked under the previous regime and who enjoyed some authority now have to work under bosses who are often semi-literate and incompetent, yet extremely arrogant.

Corruption is also rampant at higher levels. Influential mullahs openly interfere in the affairs, obtaining licences, permits and favours for their own relatives or their friends. One experienced civil servant said that the mullahs forbid all the activities which should be allowed in an open society. Then they include a clause that under special circumstances the ban could be lifted in the case of some individuals. Then mullahs obtain money from some individuals or obtain other favours and lift the ban in their case.

Travelling abroad is one such case. There is a blanket ban on all Iranians travelling abroad. But the ban can be lifted in the case of those who have friends or relatives among the top people or are ready to pay bribes.

Relations between the civil servants and their turbaned overlords were so bad recently that Premier Mussavi had to warn officials that if they were not obedient they would be sent to the war front. Mussavi said that Khomeini had given a religious duty of every Muslim. Any civil servant whose services were not required would no longer be purged or retired; rather he would be sent to the front to fight the Iraqis.

Mussavi's threats led to disturbances; his pictures were stuck on the walls of the Ministry of Finance and some other offices depicting him as a mullah with no turban. Slogans were written against him on walls. Finally, President Khamenei intervened to tell the civil servants that Khomeini's fatwa was not obligatory and that nobody would be sent to the front against his wish.

There has been renewed tension between the Iranian civil servants and their Islamic overlords since late October when the authorities began to implement the new civil service law known as the Reconstruction Law.

The new law gives enormous powers to the Islamic associations which have come into existence to replace the now-defunct purging committees. The new associations, which must not be confused with the Islamic societies which sprang up after Khomeini came to power, have taken over all the duties and powers of the personnel offices. In addition, they carry out extensive spying operations on behalf of the regime.

According to the new law all civil servants must constantly prove their loyalty not only to the regime but also to the principles of Velayat-e-Faghih which is Khomeini's philosophy on politicisation of Islam. Civil servants must also constantly prove that they are practising Muslims and that they pay their donations to Khomeini's own appointed mullahs.

Both those civil servants who have survived the repeated purges and those who have been recruited since the revolution are constantly required to perform additional services for the revolution. These range from compulsory attendance at Friday prayers and rallies to being on call to travel to the front line or work on construction sites.

Many civil servants say that they did not object to putting in extra effort to reconstruct the nation's shattered economy or repair war-damaged zones. But they do object to being supervised by totally inefficient mullahs and their appointees.

The level of competence and management qualification among the mullah-appointed top brass is so low that often civil servants who have gained some experience and expertise under the former regime find it impossible to function.

At the Ministry of Commerce all the important decision-making affairs have been concentrated in the hands of a few officials appointed by the new regime. Most of them are relatives of the various influential mullahs. Few of them have any qualifications. Yet they never delegate authority; what they do is to require the experienced personnel, deployed at lower levels of the officialdom, to carry out instructions without any right to question them. But they still expect results.

Lower level employees often find that instructions issued to them are at variance with the established rules and regulations. If they comply with those instructions they will be breaking the rules, if they refuse to do so they will be branded as counterrevolutionaries.

Many of them actually stall and delay their work. As a result there is a backlog of work to be done. The motto among the lower level officials is that the less work done the less responsibility is accepted. To avoid doing any work civil servants often absent themselves from their offices on the pretext that they are attending prayers, Koran recitals and similar activities. For their part the top authorities often resort to witch hunting and various kinds of intimidation.

CSO: 4600/117

REVOLUTIONARY MILITIA TO RETAIN COMMAND AUTHORITY

London IRAN PRESS SERVICE in English No 98, 18 Nov 82 p 2

[Text] Premier Mir-Hussain Mussavi said last week that the creation of a ministry of the revolutionary army did not mean that the command structure would be changed. He said the revolutionary militia would continue to function as before and Mohsen Rezai, their commander, would retain all his authority.

He stressed that the newly-created ministry would simply provide better government support for the revolutionary guards and militia. Some sort of coordination between the government and the revolutionary militia was needed and this would be handled by the new ministry.

Earlier rumours in Tehran had claimed that the creation of the new ministry was intended to end the virtual independence of the revolutionary guards, and extend the powers of the President Khamenei camp over the activities of this powerful section of the revolutionary arm.

The rumours had led to some resentment among the guards and their commanders who enjoy full authority but no accountability. They were also afraid that their status could be lowered to make them secondary to the regular army.

Mussavi said that a top ranking official from the ministry would always sit at the revolutionary army's command headquarters. But he would only have one vote when decisions were to be made.

According to Tehran sources with some contact with the guards, the creation of the new ministry is unlikely to bring real order to the affairs of the armed revolutionary bands. Each group of the revolutionary guards is under the command of one of the numerous influential mullahs or the revolutionary committees. As such there is a good measure of decentralisation in their work.

This decentralisation has made it difficult for the central government and even the central command to supervise the activities of the motly collection of armed men who make up the revolutionary guards. This difficulty was felt when the government decided to send the guards to the front line.

Invariably the experienced and clever guards found excuses not to go. Instead, they would go to the provinces to recruit young and inexperienced boys, give them two weeks of training and send them to the war.

The guards have a training school at the captured premises of the American embassy in central Tehran. The school is used not only to teach rudimentary principles of handling guns and munitions but also selected excerpts from the Koran, the speeches of Khomeini and historic accounts of bravery by various Muslim fighters.

The premises are also used as headquarters for some guards commanders who are often ambitious young army officers seconded from the army. These are mainly colleagues of ground forces commander Co Sayyad Shirazi who are all heartily disliked by the mass of army officers and other ranks because of their zealous collaboration with the revolutionary groups and their switch of loyalty from the official armed forces.

CSO: 4600/117

IMAM CLAIMS RELIGIOUS MINORITIES RESPECTED

Tehran TEHRAN TIMES in English 20 Nov 82 pp 1, 2

[Text]

TEHRAN (IRNA) -- The Islamic government of Iran respects all officially recognized religious minorities as much as it does for other masses of the Moslem nation of the Islamic Republic of Iran, said Imam Khomeini.

Addressing a large group of the living religious minorities from all over the country, their representatives to the Islamic Consultative Assembly (Majlis) in the Jamaran Mosque here on Thursday, The Leader of the Revolution and Founder of the Islamic Republic of Iran, Imam Khomeini, said all Iranians are a united nation and Iran belongs to everyone.

Imam Khomeini added that it is necessary for everyone to cooperate with each other and counter those who wanted to oppress and tyrannize the world's Moslems and other oppressed nations in the name of Islam or other religions.

Referring to the crimes committed by the global imperialism and Zionism, the Imam said that everyone has noticed what has been done to the people of the world by the Zionists who claim to be Jewish and followers of Prophet Moses (A.S.). But even the Jews did not accept them as Jews.

Worse than the Zionists, he added, were the big Christian governments who have suppressed their oppressed nations and other people.

Referring to the Assembly of Experts, the election for which is due to be held on December 10, the Imam reiterated that the Assembly of Expert was a foundation provided for in the constitutional law (of the Islamic Republic of Iran).

Imam Khomeini further added that the establishment of the said assembly was a lawful duty and this foundation would strengthen the leadership.

The Imam also emphasized that it was a religious duty for everyone to help with the establishment of the Assembly of Experts urging all people to cooperate so that this foundation be set up as it is required by the constitution of the Islamic Republic of Iran.

The Imam who was talking to a group of visiting Christian, Jewish, Armenian, Assyrian, and Zoroastrian Iranians and their religious leaders and their representatives at the Islamic Consultative Assembly, said many foreign governments which professed adherence to the principles of Christianity or Judaism or other established religions including Islam were in reality acting in a blatant disregard of the dictates of those religions. He reminded the religious minorities of the massive wave of irreligion and impiety as being constantly imposed upon the people of the world by the supercilious world powers and reiterated that only by closing ranks and adhering to a common cause would it be possible to safeguard the country and help other nations to rid themselves from their yokes of bondage.

A Christian representative at the Islamic Consultative Assembly, has assured Imam Khomeini of the support of the religious minorities in Iran for the promotion of the Islamic Revolution. Bait Ohsana Gug-Tappeh. A representative of the Christian Assyrians in the Majlis said to Imam Khomeini here on Thursday that religious minorities fully appreciated the independence and Islamic justice they enjoyed in the Islamic Republic and that therefore the religious minorities regarded it their "religious and national duty" to work hard "in order that the Islamic Republic might bloom."

The Majlis deputy who also represented and spoke on behalf of a group of representatives of other religious minorities in their visit to Imam Khomeini's residence here said the sporadic and trivial issues arising every now and then in relation with the religious minorities as a result of

the indiscreet practices of "certain unintelligent individuals" could well be anticipated and controlled.

"We are confident," said he to the Imam, "that not one patch of cloud will ever occur between the established religious minorities and the sun of the Islamic Revolution or the leadership of Imam Khomeini."

In response Imam Khomeini assured religious minorities in Iran that the Islamic government fully respects all non-Moslems in Iran who adhere to any of the constitutionally recognized religions in the country.

CSO: 4600/115

YUGOSLAV MEDIA PRAISED FOR 'UNBIASED ATTITUDE'

Tehran TEHRAN TIMES in English 6 Nov 82 p 2

[Text]

TEHRAN (IRNA) - The Yugoslav media today disproved a notion once popular among some people that hostility towards the Islamic Republic is a prevalent attitude only among Western countries. What is printed in the Yugoslav papers and what is dispatched by TANJUG, the country's official news agency, is sufficient evidence to prove the West is not alone.

Item : (the daily Nin, April 11, 1982) - "The toll of the Iranian casualties was so high that in anticipation, the Iranians had earlier prepared 25,000 coffins (for their dead. . .)"

Item : (TANJUG, July 7, 1982) - "All able-bodied Iranians between the ages of 20 and 25 who have not yet reported for military service have been ordered to report to the nearest branch of the gendarmerie. . ."

Item : Vjesnik : (commenting on the March 22 military operation) - "On the one hand, there are tens of thousands of inexperienced but fanatic Islamic Revolutionary Guards forming irregular armies, and on the other a group of properly equipped and experienced Iraqi soldiers . . . combining tactical techniques with the suicidal efforts of the Islamic Guards

and volunteer groups, Iran is inching forward to liberating its lands . . ."

In relating Iran's news, and especially the war news, the Yugoslav media bears the stamp of unabashed prejudice against the Islamic Republic, however much of their reports may be wrapped in a seemingly impartial tone.

TANJUG and the Yugoslav press have unabashedly used fake names in place of the real geographical names in Iran. Why? Because those names were the Arabic names for some of the Iranian towns and cities which Saddam Hussein had chosen for he desired to conquer and to annex them to Iraqi territory in the wake of the war. Among such fanciful names are "Khafajiyeh" (for Susangerd) and "Mohammareh" (for Khorramshahr - recaptured by the Iranian forces on May 24, 1982.)

But that is not all. A Yugoslav newspaper which tends to rely more on Iraq's show of bravado than on Iranian and other sources, once described the Iranian combatants in a direct quotation from the Iraqi news agency as "the enemies of Persia."

TANJUG, too, for no earthly reason, tends to follow

certain other Western news agencies in describing the war as "the Gulf war" not the Iraqi imposed war nor the Iraq-Iran war. In other albeit less apparent journalistic artifices, the Yugoslav media have belittled the patriotic efforts of the Iranian Moslem combatants in the battlefronts and have almost totally ignored their triumphs.

Immediately after the Iranian combatants had recaptured the Persian Gulf port city of Khorramshahr, the Yugoslav media claimed that there were opposite views among the Iranians about whether the war should continue.

Later, and concurrently to the Ramadhan operations (by the Iranian forces on July 13, 1982), the Yugoslav media published a series of commentaries whereby for the first time they condemned encroachment of one country against another. The Yugoslav media had remained utterly silent in this respect while the Iraqi troops were pounding cities and towns inside Iran and massacring civilians here.

Item - (Borba, reporting on the Ramadhan operations) - "The principal objective of the operations on which a high emphasis is placed is the occupation of oil wells near Basra (by Iran) ..."

Item : (Nin, reporting on the same operations) - "The

officials of the Islamic Republic are loath to agree on a peace treaty with Iraq, principally because they are worried about the post-war situation (in Iraq) ..."

Item : (Politika, July 11, 1982) - "Iran has not yet accepted the conditions for a ceasefire. It has continued the war with Iraq although, by accepting to withdraw from Iran, Saddam Hussein had brought so near at hand the end of the war ... " In the same issue, Politika described the sheer defeat of the Iraqi troops and their forced evacuation of the Iranian lands as a "mere withdrawal."

Despite innumerable eye-witness reports by foreign reporters of ruined cities, towns and villages in Iran, and of the heavy toll of the Iranian civilians, the Yugoslav media have expressed doubt as to whether civilian quarters in Iran were ever attacked by the Iraqi troops. The reason they have adduced is that the civilians of those areas had not yet evacuated those areas. In contrast, allegations of Iranian bombing of Iraqi cities are not few in the Yugoslav media.

Item : (Vjesnik, July 7, 1982) - "The Iranian troops have continued bombing cities after the withdrawal from Iran by Iraqi forces ... " The state-

ment was in sharp contrast to eye-witness reports by foreign reporters in Basra of the area which Baghdad claimed to have been worst hit by Iran.

To all this should be added sporadic commentaries in the media giving credibility to certain other allegations made in the Western media for manipulating the opinions of the masses about the Islamic Republic.

Yugoslavia's media have already gone a long way towards projecting Iran as being aligned with the regime occupying Qods. The alleged arms dealings between the Islamic Republic and the regime occupying Qods is simply one more attempt at implying such alignment.

The media have followed the same policy in reporting Iran's domestic news : they have remained silent about or at most played down significant moves by Iran against Zionism. One typical example was the media's efforts to suggest an interrelation between the defensive operations of the Iranian forces and the occupation of southern Lebanon by the regime occupying Qods.

This and similar attitudes tend to strengthen the belief among the people of the world that Western imperialism is not the only system which feels inconvenient in the face of Islam and of the Islamic Republic.

MORE REALISTIC PROPAGANDA REQUIRED ABROAD

Tehran KAYHAN INTERNATIONAL in English 22 Nov 82 p 1

[Text]

TEHRAN, Nov. 21 (IRNA) — The Iranian minister of Ershad-e Islami (Islamic Guidance), Hojatoleslam Khatami, maintains that publicity campaigns and informative activities being conducted overseas have fallen short of attaining anticipated results.

He believes the people thus far assigned to the task abroad have somewhat failed in their mission mainly because they have largely overlooked the cultural and social elements in their country of assignment. The Iranian minister who was recently installed into the office, and who is critical of the ministry's marginal accomplishments to date argues that the task of external tablighat (efforts for making Islam and the Islamic Revolution better understood) should be tackled by people within sight and knowledge and capable of grasping the cultural texture of the societies in which Islamic tablighat is to be carried out.

Khatami who is concerned about the increasing wave of hostile propaganda against the Islamic Revolution believes that

to neutralize the noxious propaganda the Islamic Republic should draw out a proper strategy for informing the world's people of facts about the Islamic Revolution and do so in keeping with good taste and propriety.

He holds that the strategy of foreign tablighat by the Islamic Republic should seek to demonstrate to the people of the world that people here have a cultural, philosophical and intellectual message to convey and that the Islamic Republic is the nucleus of "a cultural, ideological, and criteriological revolution" in the globe.

The Ershad-e Islami minister who adheres to a clear-cut approach in tackling his tasks defines the external tablighat thus, "An endeavour aimed at depicting to the world people the symbols, the fundamentals and the goals of the Islamic Revolution in order to attract their minds and their sentiments toward the lofty values of Islam, and pave the way for the establishment of a divinely global government throughout the world."

CSO: 4600/120

ECONOMIC ADVANCES REPORTED IN VARIOUS SECTORS

New Product of Carbon Company

Tehran KAYHAN INTERNATIONAL in English 18 Nov 82 p 1

[Text]

AHVAZ, Nov. 17 (**Kayhan Int'l.**) — The laboratory staff of the Carbon Company of Iran succeeded in producing an industrial oil which competes with a similar U.S.-made product called Paraplex-G this product was, previously, imported to Iran at heavy expenses, this breakthrough was announced by the Khuzestan Branch of Scientific and Industrial Research Organization of Iran in an interview with **Kayhan Int'l's** correspondent in Ahvaz yesterday.

According to our correspondent the Scientific and Industrial Research Organization of Iran has informed all the countries which import Paraplex-G from the U.S. that henceforth they can be supplied with this product at much lower prices by Iran instead of purchasing it from the U.S. which claims to be its sole producer in the world.

Paraplex-G is the name of an oil which is used by the laboratory of the Carbon Co. of Iran in testing the tint-strength of carbon. This oil used to be purchased from Cabot Co. in Panpa, Texas.

After the victory of the Islamic Revolution in Iran and the criminal U.S.'s economic blockade

against Iran, the Carbon Co. of Iran was confronted with the shortage of this oil and due to its intense need decided to replace Paraplex-G with a different kind of oil, because the tint-strength test is essential in recognizing the desirability of the carbon produced.

For this reason the laboratory staff of the Carbon Co. of Iran after extensive efforts and executing about 1,600 tests succeeded in producing an oil which can replace Paraplex-G. The price of Paraplex-G is about rials 12,000 per liter when in fact its substitute costs the Carbon Co. only rials 350 per kilo.

The tint-strength test is peculiar to carbon producing firms and some consumers of carbon, including tire producing companies the substitute oil has proved greatly desirable in testing. It is important to know that Paraplex-G is used in industry as the softener of the raw material P.V.C., in moulding to increase durability, as a softener and an agent of durability in the plastic used in linoleum floor covering and carpets with a plastic layer backing, in plastic parts used inside automobiles and so forth.

Copper Project Completed

Tehran KAYHAN INTERNATIONAL in English 21 Nov 82 p 1

[Text]

KERMAN, Nov. 20 (IRNA) — A group of self-committed technicians and workers of Kerman copper complex have successfully completed within four days parts of a project which was initially slated to be finished in four months, according to the superintendent of the melting furnace of the complex, Mr. Hashemian.

In ceremonies marking the inauguration of the anode section of the copper melting furnace of the complex, the Director of the complex Hassanpur said here Friday that by completing this section of the

complex the Iranian technicians and workers had demonstrated that they were capable of maintaining an economy edvbhoysd. of the west and east and without relying on the superpowers.

The said section of the complex produces anode ignots with a purity of 99.70 percent and will deliver same to the refinery section of the complex which is expected to start operation shortly. Once the copper refinery section of the complex has started to operate, the complex will produce cathode copper with a purity of 99.99 percent which conforms with the international standards.

Upsurge in Industrial Production

Tehran KAYHAN INTERNATIONAL in English 21 Nov 82 p 8

[Text]

High Productivity in Iran

With everyday that passes after the victory of the Islamic Revolution of Iran, there is marked progress in the fields of politics, the military, culture and the social and economic fields.

Isn't the victory of the Islamic forces in the warfronts that has amazed the world, an indication of this?

The change that has taken place here reveals that our Islamic society has made great strides. The Islamic Republic's treatment of PoWs, Iraqi as well as Afghan refugees, are all indicators of the human growth of Iranians and its like can be rarely observed in other societies.

However, regarding economic change which is the subject of our discussion, it should be stressed that despite the stupendous problems as well as the plots and intrigues of the superpowers, our revolutionary society has enjoyed a dynamic economy and will continue to do so in the future.

A look into the economic events of the recent months will reveal a momentum towards higher production and towards self-sufficiency.

Indeed, the subject of high productivity for Iran which has shouldered a great revolution and acts as an Islamic Revolutionary organ in the region and has been facing the political and military and economic plots of imperialism, is an important and significant occurrence. At a time when economic crisis is the order of the day in the East and the West, and unprecedented inflation has gripped the industrial nations of the West, high productivity in the Islamic Republic of Iran is closer to a miracle than an economic phenomena.

In West Germany national production has dropped considerably compared to the last year and there have been an unprecedented number of factory shut-downs.

The German steel industry is having its worst days. The lay-off of steel workers as well as their textile and electronics industries counterparts indicates an economic standstill according to the foreign newsmedia. The economic growth rate in West Germany is zero.

Italy faces a deep economic crisis and its steel production has dropped substantially. Industrial

strikes have paralyzed the Italian economy.

England, like Italy and Germany is in an economic shambles. Most of the industrial and service units are facing deep financial crisis and increasing unemployment has resulted in a general dissatisfaction with Margaret Thatcher's government. Other industrial countries of Europe such as France, Denmark, Spain and Austria are all facing deep economic crisis.

Despite the fact that there is a European economic crisis threatening the western economy, in Iran there is an agricultural and industrial boom.

Agricultural Sector

Wheat production registered a 20 percent increase compared to the previous year. The fish catch rose by 100 percent. Cotton cultivation rose 6 percent and production went up 50 percent. Pasturized milk production registered an increase and the Gilan Milk Pasteurization plant increased its output by 17 percent during the first 6 months of the current year. Sugar cane production despite land and air attacks by Iraq increased by 100 percent compared to last year. Production of rice has reached 2 million tons and 2,000 hectares have been added to the existing lands under cultivation.

Industrial Sector

Industrial energy production

rose by 23 percent compared to last year. During the first half of the current year, installation of natural gas pipelines rose by 100 percent compared to last year. Textile production rose by 30 percent and shoe manufacturing by 76 percent. At present steel production is at 850 thousand tons and is expected to reach 2.4 million tons by the end of the current year. Crude oil production for local consumption rose by 23 percent. During the first half of the current year, the production of the Iran Rasht Electric Company rose by 45 percent. The Shiraz Fiberglass Factory has registered a 100 percent increase in production. The production of polyester and acrylic fibers by the polyacryl factory of Isfahan increased by 25 percent.

What is the real cause of this increased production in Iran after the Islamic Revolution? Has this been due to the change of management? Has it been due to the untiring efforts of the workers? Has it been due to correct programming? Or has it been due to the imposed war and many other variables.

The answer to all the above questions is a firm YES. And certainly the faith of the people of Iran and the Islamic government in the values and principles of the Islamic Revolution played a significant role.

Post-Revolution Achievements

Tehran KAYHAN INTERNATIONAL in English 15, 24 Nov 82

[15 Nov 82 p 4]

[Text]

182 Educational Centers and Sports Complexes Built in Lorestan Province

KHORRAMABAD (IRNA) — Projects for the construction of 182 educational centers and sports complexes have been executed in Lorestan Province (Western Iran) since the beginning of the current Iranian year (March 21) by the Schools' Renovation, Promotion and Equipment Group of Lorestan, reported an IRNA correspondent in Khorramabad, the capital of the province.

According to the reports, the projects include 132 primary schools, 35 educational guidance schools, 11 high schools, three sports complexes and a kindergarten which have been built in the towns of Brujerd, Khorramabad and Aligudarz and their nearby villages.

The report also says that the construction of 59 of the educational centers has been completed and the remaining projects have advanced from 39 to 95 percent.

Meanwhile, the report mentions that only 24 of the educational centres have been constructed in the towns of Lorestan and the rest of them have been built in the villages of the province.

Loans Extended to Farmers in Ahaz

TABRIZ (IRNA) — A total sum of rials 269,007,000 was extended in loans to 1,902 villagers in the township of Ahaz, East Azarbaijan Province by the Agricultural Bank during the first seven months of the current Iranian year, reported an IRNA correspondent in Tabriz, the capital of the province.

According to the report, the loans were disbursed for various agricultural plans, including irrigation, cultivation, horticulture, cattle-breeding, poultry-farming, apiculture, silkworm-rearing, the purchase of agricultural machines, the establishment of rural installations and buildings and the promotion of handicrafts.

The amount of the loans showed an increase of 49 percent as compared to the identical period last year.

Bumper Wheat Harvest in the Country

TEHRAN (IRNA) — A total amount of 974,569 tons of wheat was purchased from farmers all over the country from the beginning of the wheat harvest season up to Oct. 26 through rural cooperatives, it was announced by the public relations office of the Ministry of Agriculture and Rural Development.

According to the announcement this amount shows a remarkable increase as compared to the identical period last year.

Out of the total amount of purchased wheat, 820,740 tons have been delivered to the silos and storehouses of the Grains Organization.

[24 Nov 82 p 4]

[Text]

Credits to Cattleowners

Nowshahr (IRNA) — A sum of 60,000 rials has been extended to cattle owners of Nowshahr during the month of October 1982 by Jihade Sazandighi (Reconstruction Crusade). Also other activities of Jihad are as follows :

- Innoculation of 9,326 head of cattle and poultry.
- Distribution of medicine worth 186,906 rials amongst 210 cattle owners,
- Distribution of 7 tons of barley and cattle feed, as well as 730 kilograms of wheat.

Rials 11,577,000 Credits to Village Cooperatives

TEHRAN (IRNA) — A sum of rials 11,527,000 in credits have been extended to farmers in the central province by the Village Cooperative Organization of Tehran Province during the first 6 months of the current year. Other activities of the organization during the same period are as follows:

- Procurement and distribution of 12,589 tons of chemical fertilizers,
- 737 tons of various pesticide,
- 28 tons of improved seeds.

Also, 1,830 tons of sugar, 1,515 tons of rice and 754 tons of vegetable shortening have been distributed to villages through 139 cooperatives.

Construction of Over 500 Bridges in Sistan and Baluchestan

ZAHERAN (IRNA) — Over 500 bridges have been constructed in Sistan and Baluchestan during the last 2 years. The bridges which are 5 meters long are intended to accelerate transportation of agricultural products.

HAMEDAN (IRNA) — During the month of October, 975,000 tons of wheat and cattle feed seeds, 130 tons of molasses and 6,410 tons of chemical fertilizers were distributed amongst the farmers. Also, 65,365 sick cattle were treated and 41,794 were inoculated.

MEDICS IN WEST GERMANY AGREE TO RETURN TO IRAN

Tehran KAYHAN INTERNATIONAL in English 23 Nov 82 p 2

[Text]

BONN, Nov. 22 (IRNA) — About 2,800 Iranian physicians living in Federal Republic of Germany announced their readiness to return to Iran either for permanent or temporary stay, following Ayatollah Hussein Ali Montazeri's guidelines concerning return of Iranian physicians to the country.

Hojjatoleslam Mehdi Karrubi, head of the Martyrs Foundation currently in Bonn on a treatment program dealing with the Iraqi imposed war injuries in a meeting with a group of Iranian physicians discussed their return to Iran.

During the meeting attended by about 100 Iranian physicians it was said that they could travel to Iran in their free time several times a year.

Karrubi praising Iranian physicians services inside Iran recalled that Ayatollah Montazeri and President Khomeini had repeatedly stressed utilization of committed physicians' services.

The Islamic Republic government guarantees their short term stay in Iran in case this was an issue.

The program will be supervised by the Martyrs Foundation.

Speaking to IRNA here Hojjatoleslam Karrubi said that in his meeting with Iranian physicians they announced that they were ready to travel in groups to Iran and use their expertise to treat war injuries. They also promised they would use all their know-how while in Germany to treat war injuries.

He also said that physicians returning to Iran should be assured that as soon as they arrive they can start working in Iranian hospitals.

Hojjatoleslam Karrubi visited Iranian war injured, hospitalized in Koln and Bonn. He said that Iran recently has purchased modern medical equipment to treat war injuries inside the country instead of sending them abroad.

CSO: 4600/120

LEBANESE INFORMATION, JUSTICE MINISTER DISCUSSES PLANS FOR POSTWAR ERA

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 285, 18-24 Oct 82 pp 17, 18

[Interview with Roger Shikhani, Lebanese Minister of Information and Justice, by Correspondent Hashim Qasim: "We Shall Restore Confidence Between Citizen and the Media and Go Beyond Formalities;" date and place not given.]

[Text] What ammunition does Mr Roger Shikhani, Information and Justice Minister, have for dealing with matters concerning his two ministries, consequently concerning the nation and its citizens? Eight years of war have destroyed government institutions and apparatuses and put them out of action, have shrunk and frustrated any natural relationship that could develop between a Lebanese citizen and his official establishment, between his ambition and strife for development on the one hand and the public establishment's duty to incarnate his existence, hopes and aspirations on the other. Following is the text of the dialogue which AL-NAHAR AL-'ARABI WA AL-DUWALI conducted with Information and Justice Minister Roger Shikhani.

[Question] The Official media does not lead an enviable life after eight years of war that have devastated all the institutions of the state. This made the Lebanese citizen get his information and various news items from private information systems, thus pushing private broadcasting services to the forefront. Do you envisage, or have a concrete program, for overhauling and invigorating the ministry of information?

[Answer] When I was appointed Minister of Information the previous minister, Mr Michel Iddih, had travelled to Paris. He delivered the portfolio to me by phone. I told him I did not expect a give and take operation, and I actually occupied the ministry before heading it. The specific portrayal of the official media you mentioned in your question is a very delicate matter that must be reviewed seriously and pursued assiduously, especially since I am not an expert

on matters of information. I am a lawyer and have practiced my profession for a long time, and despite my having been a watcher of television and a follower of radio programs in general, I was not directly experienced in information matters. I really took over the ministry not knowing its affairs precisely. Some sought to scare me of all it comprises: information methods that are sometimes not in order, "throwing away money," the multitude of employees, and so on. But after I became acquainted with the ministry's internal program I saw clearly that it was not the failing enterprise you have painted to me.

I met with the division heads, and it became evident to me that they had good intentions. I learned that their capabilities during the war period were very limited because of their attempts to avoid pitfalls, difficult matters, and the political mines planted by the war. This reality was imposed by the war with all the things it concealed and the pressures it brought to bear, while what was required was that information be free.

Which Media?

[Question] There is a big difference between a free media and one that is controlled or guided. Which media or informational policy [do you mean]?

[Answer] The freer the media is the more useful it will be to itself and to the Lebanese citizen. Therefore we must provide an opportunity for an absolute freedom of information provided it is correct information, not made up or fabricated. For example, about a week ago I was taken by surprise by some items coming from European and American information media which were at variance with the truth and gave a false picture about some matters in Lebanon. I hastened to deal with the matter. I summoned the foreign correspondent who had supplied his agency with the false information and asked him to correct it. I also advised him to say the truth, for that is the essence of his duties.

My aim, on the one hand, is to give the media the freedom of disposal based on correct news and to give out, as a ministry of information, true news without being bogged down by marginal news such as that some minister received some personality or had dinner with some other personality. In short, we must go beyond trivial matters. As for information issued by the government or the Minister of Information, it is natural that the official information systems immediately spread and are publicized.

What I said calls for a switch from a policy of respect for formalities in information to the formulation of a dynamic, evolving and constructive policy that meets the needs of nation and citizens. On the other hand it is necessary to revive and invigorate the various official information systems to deepen the trust between them and the citizens. For this purpose I have asked the television Administration to develop their programs and inject new blood in them, if not to change them altogether. This applies particularly to programs dealing with citizen education, for we may sometimes see a citizen throwing banana peels out of his car window or dumping garbage in the street, etc. These and similar matters we must leave behind us by showing educational programs that help rectify the behavior of some of the citizens. I asked the radio and television to air programs of this sort not exceeding three minutes

in length. These will help create pride in the Lebanese child and teach him discipline, order, cleanliness, and respect for others. I also asked for the strengthening of the motion picture programs and their employment for citizen education.

[Question] So this is what you have in mind.

[Answer] Yes. And we will work seriously to achieve major progress in the media. The first step will be a live, balanced and wide coverage of President Shaykh Amin Gemayyel's trips to Europe and America. For seven years the official media did not project the image expected of it; it will this time.

WHAT FREEDOM?

[Question] I return to the question: What freedom do you desire for the official media establishment?

[Answer] Freedom cannot be qualified. Freedom is freedom, but it stops where the rights of others begin. Freedom is itself a right.

[Question] Throughout Lebanon's recent and contemporary history certain events were the cause of division and alienation among the citizens, but the Lebanese always restored their unity. Some political leaders were trying to found their Lebanons on the errors of the previous experiment. In light of this, some of them proposed specific guidance for the official media, ignoring the absolute freedom you mentioned. How do we reconcile all this? What do we want?

[Answer] We were a country, and we became a nation.

[Question] Became?

[Answer] We are on the way to becoming a nation for all the Lebanese, with all their various denominations and political inclinations. If that happens, freedom becomes pure Lebanese freedom, I mean flowing from our reality.

The important thing is that allegiance to the nation take precedence over all other affiliations.

THE QUESTION OF BROADCASTS

[Question] Between the existence of an official broadcasting service and that of private services set up in exceptional circumstances there arises a problem that destroys the effectiveness of the official media. This problem brings back and fosters fragmentation. What solution do you see for it?

[Answer] This is a judicial file. As a lawyer I give an opinion after reviewing this file and becoming acquainted with all the laws applicable and enforceable on the issues it deals with.

[Question] There is a political side to this question. Some of the private broadcasts have obtained an official license; others are without one. But dealing with this problem on the judicial level [alone] remains limited, doesn't it?

[Answer] It is probably necessary to study the files of all the broadcasts, and it is possible that some of the private ones be allowed to continue their broadcasting work, but under new conditions.

[Question] You mean it is likely that licenses be given to some of these broadcasts, but under new conditions?

[Answer] I mean under legal conditions.

[Question] Are there no advance political conditions to be imposed on these broadcasts?

[Answer] This is what we will study later on, but it is certain that there will be political and economic conditions and tax requirements.

[Question] There is the matter of illegal publications!

[Answer] I am a man of law. I go by the book, and I hope to enforce the law literally.

[Question] Don't you think that political obstacles may stand in the way of this determination?

[Answer] If there are difficult political obstacles I will work to modify the law. But the law is like the Koran and the Gospel. It is inviolate, and I won't consent to any infringement on it.

THE PRESS LAW

[Question] After a long absence of the press law and its provisions, what will be the effect of its enforcement on the freedom of expression and of the press in Lebanon?

[Answer] I will work for enforcing the press law to the last detail.

[Question] But political and economic perils may constitute a hard obstacle in the way of its application and enforcement.

[Answer] Despite that, publishing houses must send their informational material to the Press Inspection Agency. The same applies to the publication enterprises that have freed themselves of both official and self-surveillance. This work will be done within the provisions of the law, for the life of every Lebanese individual and of the Lebanese nation will be in real danger if the policy of neglect and weakness continues.

[Question] Do you imagine a specific political criterion for separating and distinguishing between the national political press and the nonnational?

[Answer] If we return, as a matter of principle, to the text of the speech delivered by the late President of the Republic Shaykh Bashir Gemayyel during his visit to the television station in Lebanon, we find words emphasizing the necessity of freedom provided it is Lebanese freedom that safeguards the nation's interests and puts them in first place. This is what I accept and support.

[Question] As a minister of justice, do you see that there is something in the offing relating to a general amnesty for the crimes committed during the war, that something like that might be issued or specific measures might be taken regarding it?

[Answer] This subject is very delicate. Regretfully, the criminals are waiting for such an amnesty. But I cannot decide this matter because it needs to be studied and discussed by all the official political and legislative bodies, and because it is awaiting a decree from His Excellency the President of the Republic.

[Questions] Prisons in Lebanon are still old in their structure and role; they are [still] almost Ottoman. What do you have concerning them?

[Answer] No, the Romia Prison is alright.

[Question] Is the Romia prison the model of prisons in Lebanon?

[Answer] No, but it is an experiment that has succeeded. What is required today is modernizing the prisons, and that is done by putting the inmates to work, and by teaching and training them. That is what happens in the prisons of civilized countries. For instance, I visited a prison in China and found in the lives of the inmates, in their ways of working and the vocational and technical opportunities made available to them, an experiment that may be worth emulating. We must rescue the inmate from the shock of bitter waiting and free him from perpetual idleness and negative thinking.

[Question] This in China!

[Answer] I think we should strive to create a similar experiment.

[Question] Do you have a project you will work to put into practice?

[Answer] No, merely an idea. This subject is under the jurisdiction of the Ministry of Interior.

[Question] Let's return for a while to the evaluation of Lebanon's television with regard to its programs and directions. Some see its role as incomplete and [see it] unable to have more effect on our political, cultural and social life.

[Answer] Lebanese television programs are better than programs in most of the Middle Eastern countries. We are nevertheless working for a better television. Now we are again reconstructing television's role and improving its circumstances and programs.

[Note] At this point Dr. Charles Rizq entered the room and participated in the discussion on the role of television and its present and future condition. He said: "There are now three different television programs, through which we try to offer three different flavors. Three levels in three languages. If some viewers do not like "Abu Milhim" or any other program, they can switch to another program, or even a third one. We have completed this work since 1979. There are critical remarks about television but the existence of some negative things has been tied to circumstances of destruction and crises and wars. You cannot now call me to account for this period, for we were, individuals and institutions, in a tortured and suppressed nation. I hope that judgement and appraisal will be of the future, for which we are now trying to lay the foundation.

12226

CSO: 4404/63

SA'IB SALAM DISCUSSES LEBANON'S FUTURE, LAUDS LATE BASHIR AL-JUMAYYIL

London AL-MAJALLAH in Arabic No 142, 30 Oct-5 Nov 82 pp 19-20

[Interview With Sa'ib Salam, Lebanese ex-prime minister, by Cecil Hurani:
"Dialogue With One of Pillars of Political Rule in New Lebanon; Sa'ib Salam
to AL-MAJALLAH: We Cannot Forget What King Fahd Has Done for Lebanon; I
Warned Bashir al-Jumayyil of Sharon's Influence in Lebanese Forces and He
Said He Was Aware of This and Promised to Dissolve Militia Quickly; I
Oppose Declaration of Lebanon's Neutrality and Support its Resumption of Its
Role as Mediator Between Arabs; It Is in Interest of All Arabs for Lebanon To
Be Strong and Healthy, not Divided and Troubled"]

[Text] Ex-Prime Minister Sa'ib Salam is one of the main pillars of rule in the new era witnessed by Lebanon at present under President Amin al-Jumayyil. It is no secret that President al-Jumayyil consults with Sa'ib Salam constantly on Lebanese, Arab and international issues and that he fully appreciates and respects Sa'ib Salam and his opinion. A few days ago, Sa'ib Salam visited the Kingdom of Saudi Arabia and met twice with King Fahd ibn 'Abd al-'Aziz in the presence of Prince 'Abdallah ibn 'Abd al-'Aziz, the crown prince, the deputy prime minister and the national guard commander. Salam's talks with the Saudi officials focused on Lebanon's future situation, especially since Saudi Arabia has clearly underlined its readiness to advance extensive aid to Lebanon to help it stand up anew and to proceed in the march to peace and stability. On returning to Beirut, Sa'ib Salam asserted that King Fahd is eager to continue his support for Lebanon. AL-MAJALLAH has met with Sa'ib Salam, the Lebanese ex-prime minister and the prominent Islamic figure in the new era, and conducted the following interview with him:

[Question] Are you optimistic regarding Lebanon's near and distant future?

[Answer] My answer to this question is always the same. I am optimistic by nature. But insofar as the present situation is concerned, I will say that it is my duty to be optimistic, and this is true for the near and the distant future.

[Question] Do you expect the formulation of a new national charter for Lebanon? If this is the case, what will the charter's broad lines be?

[Answer] Before anything else, let us explain what the national charter means because many people don't understand it. The national charter is the base on which the present independent and sovereign Lebanese state was founded. Even though this charter was not written officially, it was tantamount to a consensus of opinion reached in 1943 by the Christians and the Muslims, who agreed to coexist within a free and independent Lebanon that would be for all the Lebanese without exception. Before this charter, the majority of the Christians looked toward the West, especially toward France, to protect them against what they considered the "danger of survival and coexistence as a Christian community within a vast sea of Muslims." The Christians insisted then on keeping a French occupation army to insure such protection. On the other hand, most of the Lebanese Muslims brought to greater Lebanon in 1920 refused until 1943 to offer their loyalty to Lebanon and many of them demanded that Lebanon be reannexed to greater Syria, from which it had been separated and stripped away in the first place. Many of those Muslims also aspired to a form of federation or unity with the other Arab countries. In any case, the climate prevailing at the end of World War II was one in which all countries of the world that had been living under the yoke of colonialism or occupation aspired to independence and freedom. Moreover, all of the Lebanese, both Christians and Muslims, were influenced by the same spirit and felt that the time had come to unite and declare their free and independent state. Besides, the overwhelming majority of the Lebanese Christians was not pleased with the French mandate at a time when the Lebanese Muslims were seeing other Arab countries get their independence or struggle for it. So they also decided that they had to have their own independent state. This is how the new Lebanon came into existence in 1943 as a result of the Christian and Muslim consensus, which was called the national charter. We can say that this charter constitutes the actual base of present-day Lebanon. We can also say that without this consensus and without this charter there can be no Lebanon. Proceeding on the basis of this charter, the Lebanese people have dealt with the major issues facing them over the past 4 decades, sometimes successfully and sometimes with difficulty. But what has preserved Lebanon all this time has been the national consensus among the various Lebanese sects. I must acknowledge here that every now and then this consensus has been on the verge of collapse. One example is the time when Bashir al-Jumayyil nominated himself for the presidency of the republic. I and the other Muslim leaders opposed this nomination because we felt, and feared, that Bashir would represent only one sect of the Lebanese people. But after he was elected, it seemed to us that he was representing the Lebanese in their various sects. This feeling was reinforced when I met with him a few days before his assassination. A new climate of reconciliation and a new national spirit emanated from our meeting. But regrettably, Bashir al-Jumayyil was assassinated. The fruits of this new climate of national reconciliation that Bashir was able to create through his statements and television interviews and through the meeting I had with him were reflected at his funeral ceremony, which was attended by all sects and which turned from mourning for a leader to a great celebration of national reconciliation.

Both Muslims and Christians grieved over Bashir al-Jumayyil's assassination. As a result of the new climate of understanding that developed in the short period between Bashir al-Jumayyil's election and his assassination, the Muslims took the initiative to support the nomination of his brother, Amin, who was

elected president unanimously. Thus, we are now again on the path of mutual understanding and this is a source of optimism insofar as the future is concerned.

Truth of What Happened With Bashir al-Jumayyil

[Question] Can you disclose to us the details of what took place between you and Bashir al-Jumayyil during the famous meeting you had with him a few days before his assassination?

[Answer] I believe that Bashir al-Jumayyil was a true, honest and upright leader and a man with a cause. I opposed him before he was elected president, but I soon appreciated his character and his opinions and supported them when it became evident after the elections that his cause was the cause of all the Lebanese people.

In our 4-hour meeting, he underlined his wish to be the president of all of Lebanon, without discrimination. Naturally, we dealt with numerous issues in detail. But throughout the meeting, I tried to point out to him the need to change what I believed to be the "dictatorial conduct" that had characterized him to a "more democratic conduct" compatible with our political system in Lebanon. Our meeting also reinforced my previous impression of him as being a man unaware of the position of the Muslims in Lebanon. The meeting gave me the chance to enlighten him on this aspect of his responsibilities toward the other half of the Lebanese people. I must admit here that he responded fully to what I said, displaying a definite desire to learn and comprehend. The other issue we discussed was the issue of his relationship with Israel and I warned him of the consequences of his previous relations with Israel. I also warned him of the dangers emanating from the strong influence of the Israelis, especially of Defense Minister Sharon, among his militia--the Lebanese Forces. He assured me that he was aware of this and that he was determined to dissolve these militia (the Lebanese Forces) as quickly as possible. But he added, with a deep sigh, that he was having some difficulties with the Israelis. In addition to trying to put him in the picture insofar as the true feelings of the Lebanese Muslims are concerned, I also tried to make him realize the need to solve the problem of the Palestinians in Lebanon in a manner that serves both Lebanese interests and the just Palestinian cause. I told him that Lebanon cannot withdraw from or abandon its position as a part of the Arab world, to which it is bound by numerous and strong ties and interests. I was pleased to see Bashir al-Jumayyil respond fully to these points.

Reagan's Initiative

[Question] What is your opinion of President Reagan's recent initiative on the Middle East?

[Answer] For the first time in many years, a U.S. president has come up with some sort of a plan. I must admit here that I find some positive aspects in it. But the problem with the United States is that bitter experience has taught us not to rely on it to exercise a constant and firm policy where Israel is concerned because it is obvious that Israel has broad influence in the U.S. administration and popular circles. This influence is capable of diverting

U.S. policy from any course it wishes to follow. However, I insist that the Arabs must not waste this opportunity and, consequently, must exert their efforts to back up and support President Reagan's position in his current effort.

We all know that for the past 30 years the Americans have followed a policy harmful to their own interests in the area because of their blind political, financial and economic support for Israel. The important thing for the Arabs at present is to make the Americans realize that their vital interests will be in danger if they continue to follow such a policy without taking into consideration Arab interests and national feelings, in addition to Israeli interests.

King Fahd's Role

[Question] What is the message you wish the Arab governments to understand insofar as Lebanon and its future are concerned?

[Answer] For a long time, we in Lebanon have suffered the worst from some Arab governments who have transferred their quarrels and their battles to Lebanon. Regrettably, this has made me raise my voice repeatedly to say "Arabs, take your hands off Lebanon, please," because many of the Arab countries have been planting chaos and trouble in this country by pouring in their money by the millions so that they can fight their battles on its soil. Having mentioned this frankly, clearly and loudly, I must make some observations concerning other Arab countries which realize that the presence of a stable and healthy Lebanon capable of standing on its own feet is in their interest and the interest of the Arab world as a whole. Within this framework, I must point out in particular the Kingdom of Saudi Arabia and its role in supporting and aiding Lebanon in various spheres. During the latest events, which started with the Israeli invasion of Lebanon, we find that the efforts, intervention and contacts of King Fahd ibn 'Abd al-'Aziz played a major role in sparing Lebanon many tragedies. We cannot forget what Saudi Arabia did and what King Fahd did for Lebanon during the recent events. The position of Egypt and of its president, Husni Mubarak, must also be lauded because Egypt supported Lebanon during its latest tribulation. I hope that all of the Arab states will realize that the presence of a strong and healthy Lebanon is in their interest. The presence of a divided and demolished Lebanon that is tossed by events and troubles is a source of danger to all Arab states.

Lebanon's Neutrality

[Question] Do you support the proposal presented by some people, including Egyptian Minister of State for Foreign Affairs Dr Butrus Ghali, to declare Lebanon a neutral country and to have the major powers guarantee this neutrality?

[Answer] No, I oppose the proposal to declare Lebanon a neutral country. We have our numerous internal problems and complexities and I do not wish to have them enlarged and multiplied by the major powers and "their guarantees." Lebanon must continue to be an independent and sovereign state within the

framework of the Arab world. It must not be tied to the policy of polarization or axes that might develop or be established by some of these countries. If Lebanon follows this policy, which in practice means to adopt a "neutral position toward the Arab conflicts"--should Lebanon follow such a policy, then it will no doubt regain its unique role as a mediator between the Arab regimes of a point of contact and dialogue among them.

8494

CSO: 4404/90

PROBLEM OF DEALING WITH PALESTINIAN CIVILIAN POPULATION VIEWED

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 285, 18-24 Oct 82 p 50

[Article: "Social Explosion Threatened. Arab Cooperation Is Necessary To Prevent Deterioration of the Internal Situation"]

[Text] The government has information establishing that the number of Palestinians who may be treated as 1948 migrants amounts to 370,000 while the International Relief Agency recognizes the presence of 225,000 Palestinians in the Lebanese territories. However, sources estimate the total number of Palestinian residents in Lebanon reached 600,000. This means that the International Relief Agency does not recognize the presence of 375,000 Palestinians.

The question of the Palestinian presence in Lebanon is now one of the most important questions dealt with by high officials. It is kept away from the limelight due to its delicacy and its relation to some well known internal considerations. This problem began subsequent to the destruction of the camps in the South by the Israeli army. After the Palestinians' exodus from the camps of the South and their dispersal in the plains and mountainous regions, the International Relief Agency contacted the Israeli government and conveyed to them the Palestinians' desire to return to the destroyed camps and their readiness to rebuild their homes. The Israeli government's response did not view this desire favorably, to the extent of refusing to allow the Palestinians to reside "under the tents." The Israeli government invited the International Agency to discuss with the Lebanese government the relocation of the Palestinians from the South to Al-Bika' or the North. The Agency conducted new negotiations with the Israeli government, which ended with the consent of the latter to put the Palestinians "under the tent" but insisted on refusing to allow them to rebuild the homes that have been destroyed.

Beirut and Its Southern Suburb

The same question regarding the camps in the South is now under discussion in relation to the camps in Beirut and its southern suburb. The Israeli government asserted, through the Secretary General of the United Nations, its refusal to allow the Palestinians to rebuild the homes that have been destroyed in the camps and called for housing them "under the tents." It considers the members of the international force and of the army responsible for executing the "decision agreed upon" in this regard.

Contacts are currently taking place with a number of political leaders to come to an understanding about arrangements for moving the Palestinians from the western region and the suburb. The command staffs expressed their readiness to cooperate with the responsible officials, but they expressed reservation about the ability of the state to implement the relocation project with the speed desired by the officials.

Sources say that the officials desire that moving the Palestinians from the camps of Beirut and suburb be a first step in the search for a solution to the problem of the 330,000 residing in Lebanon illegally. As for the problem of the 1948 migrants, the officials are willing to postpone the search for its solution pending an international solution to be adopted for the Palestinian question. The officials have conveyed to the American administration, and through it to some Arab countries, the impossibility of their consent that such a large number of Palestinians remain illegally in Lebanon, as well as their desire to find a solution to this problem in cooperation with the Arab states. It is the officials' opinion that if these states do not cooperate to find a solution, the internal situation in Lebanon may become in danger of deterioration, especially since the Palestinians who left the camps of Beirut and its suburbs to the Biga' will inevitably return to the capital and its suburbs after the withdrawal of foreign troops from the Biga' and the return of the Biga' residents to their homes. That is, the Palestinian problem in Beirut and its suburbs is candidate for renewed explosion, if not on the military plane then at least on the social plane. This social side of the problem of the Palestinian presence in West Beirut and suburb worries the officials who are trying to contain it before it becomes a source of complications.

12226

CSO: 4404/63

PEOPLE'S COURT HANDS DOWN VARIOUS VERDICTS

Tripoli AL-FAJR AL-JADID in Arabic 10 Oct 82 p 4

/Article: "The People's Court Issues Its Verdicts Regarding the Accused Persons Transferred to It from the Revolutionary Court"

/Text/ In executing the verdict the revolutionary court issued at its open session on Thursday 26 February 1982 transferring some people indicted in cases of political and administrative corruption, the people's court held an open session on Sunday 3 October 1982 and issued the following verdicts:

One: The court handed down verdicts in absentia in the case of the following:

1. 'Ali Yunus al-'Urfi.
2. Muhammad Najib Kamal.
3. Ahmad Salim bin Fa'id.
4. 'Abd-al-Wahhab Abu Rawi.
5. Al-Tahir al-Maquri.

The verdicts were handed down in the presence of the remaining accused persons.

First, sentences in the case of the following:

1. Mustafa Milad al-Sa'idi, imprisonment for a period of 1 year, a fine of 50,000 dinars, and confiscation of the sums deposited abroad, after the charge of smuggling money punishable by Article Five of Law Two on Economic Crimes for 1979 and Article 29 of the same law had been proved in his regard.

2. Fathi Mustafa 'Izzat, imprisonment for a period of 2 years and a fine of 150,000 dinars.

Also, confiscation of the money deposited abroad. This was after the charges of giving bribes, smuggling money abroad, committing fraud and deception with the people's money and corrupting political life, punishable by Article 21 of Law Two on Economic Crimes for 1979 and Article Five of the same law had been proved in his regard.

3. Nuri Muhammad 'Abd-al-Samad, imprisonment for a period of 2 years, a fine of 100,000 dinars, and confiscation of the money he deposited abroad, after the

charges of smuggling money, taking bribes and exploiting positions subject to punishment under Article Five of Law Two on Economic Crimes for 1979 had been proved in his regard.

4. Sulayman 'Aqilah al-Malti, imprisonment for a period of 3 years, a fine of 200,000 dinars and confiscation of the sums he had deposited abroad, after the charges of smuggling money abroad, buying and selling foreign currency, bribery, exploitation, devious treatment of socialist decrees, enslavement of people and embodiment of a society of servants and slaves, charges punishable by Article 21 of Law Two on Economic Crimes for 1979 and Article Five of the same law had been proved in his regard.

5. Miftah Mustafa Buhayh, imprisonment for a period of 1 year, a fine of 50,000 dinars and the confiscation of the sums he had deposited in his own account abroad, after the charges of exploiting his position, smuggling money abroad, accepting bribes, betraying trust in his capacity as assistant manager of the Department of Banking Operations in the National Bank and offering concessions to persons hostile to the people and escaping abroad, charges that are punishable in accordance with Article Five, last paragraph, of Law Two on Economic Crimes for 1979, Article 21 of the same law, and Article 77 of the Penal Code had been proved in his regard.

6. Muhammad Mahmud Sharmit, imprisonment for a period of 1 year, a fine of 50,000 dinars, and confiscation of the money he deposited abroad, after the charges of exploitation, smuggling of money abroad and theft of the money of society punishable by Articles Five and 21 of Law Two on Economic Crimes for 1979 and Article 77 of the Penal Code had been proved in his regard.

7. 'Ali Mukhtar Jum'ah, imprisonment for a period of 2 years, a fine of 100,000 dinars and confiscation of the money he had deposited in his name abroad, after the charges of helping persons escaping from the jamahiriyah who were hostile to the revolution and the power of the people by smuggling their money through other persons, as well as smuggling money abroad with the goal of carrying out a commercial project, concealing the smuggling of hard currency abroad for other persons, making transactions with the al-Qafilah Organization and persons hostile to the revolution and the power of the people who were escaping from the republic, and also depositing the sum of 344,000 dinars in the account of a person called Hiyam Ramzi, wife of the traitor 'Abd-al-Jalil al-Arif, had been proved in his regard. These charges are punishable under Article Five of Law Two on Economic Crimes for 1979.

8. Mustafa Muhammad ibn al-Ashhar, imprisonment for a period of 1 year, a fine of 50,000 dinars and confiscation of the sums deposited in his account abroad, after he had been found guilty of the charge of smuggling society's money abroad by exploiting his position as manager of the National Bank, al-Rashid branch, and the charge of blatant enrichment at the expense of society and the transfer of the sum of 30,000 dinars to America in the name of his son and the sum of 160,000 dinars to the account of one of his sons in Britain.

These charges are punishable by Article Five, final paragraph, of Law Two on Economic Crimes for 1979 and 1977.

9. Muhammad Salim ibn Khalifah, imprisonment for a period of 3 years, a fine of 200,000 dinars and confiscation of the sums deposited in his account abroad, after the charges of smuggling money, offering bribes and taking part in the smuggling of hard currency by selling hard currency to certain persons, a matter which is punishable by Article Five, final paragraph, of the Law on Economic Crimes and /Article/ 77 of the Penal /Code/, had been proved in his regard.

10. 'Aqilah Muhammad Badi, imprisonment for a period of 3 years, a fine of 200,000 dinars and confiscation of the sums deposited in his name abroad, after he had been found guilty of the charge of paying bribes, corrupting people's integrity and smuggling money abroad punishable by Article Five, final paragraph, of Law Two on Economic Crimes for 1979 and Law 77, Penal /Code/.

11. Ahmad Hasan al-Misurati, imprisonment for a period of 3 years, a fine of 300,000 dinars and confiscation of the sums deposited in his account abroad, after the charge of paying bribes, corrupting people's integrity and smuggling money abroad had been proved in his regard.

12. Abu Ruwaylah Ghayth Abu Ruwaylah, imprisonment for a period of 3 years, a fine of 250,000 dinars and confiscation of the sums deposited in his name abroad after he had been found guilty of the charges of corrupting people's integrity, paying bribes and smuggling money abroad punishable by Law Two on Economic Crimes for 1979, Article Five, and Articles Three and Four of Law One on Hard Currency for 1955 and the amendments to that.

13. Muhammad 'Asim Burshan, imprisonment for a period of 1 year, a fine of 20,000 dinars and confiscation of the sums deposited in his account abroad, after the charges of taking bribes and smuggling money abroad punishable by Article 21, Paragraph Two, of Law Two on Economic Crimes for 1979 and Article Five, final paragraph, of the same Law Two for 1979 and 1977 had been proved in his regard.

14. Ibrahim Muhammad Filfil, imprisonment for a period of 1 year, a fine of 1,000 dinars and confiscation of the sums deposited in his name abroad after the charges of accepting commissions from foreign companies, accepting bribes from companies and individuals, smuggling currency, opening numerous accounts in banks abroad and engaging in party activities, which are charges punishable in accordance with Article 21 of Law Two on Economic Crimes for 1979, Article Five of the same law and Article 77 of the Penal /Code/, had been proved in his regard.

15. Miftah Salim Shakmak, imprisonment for 1 year, a fine of 30,000 dinars and confiscation of the sums deposited in his name abroad, after the charges of smuggling money abroad and taking bribes, punishable by Articles Five and 21 of Law Two on Economic Crimes for 1979 and 1977 and Article 77 of the Penal Code, had been proved in his regard.

16. Ahmad 'Abdallah Jab'ur, imprisonment for a period of 1 year, a fine of 30,000 dinars, and confiscation of the sums deposited in his account abroad after he had been found guilty of the crimes punishable by Article Five of the Law on Economic Crimes (smuggling), Article One of the Law on Weapons and Ammunition issues on 13 July 1967 and amendments to it, dealing in foreign currency in ways not in accordance with the conditions stipulated by the Secretariat of the Treasury in

accordance with Law One for 1955 and amendments to it, which are crimes of smuggling money abroad, and accepting two pistols as a gift.

17. Ahmad 'Abd-al-Rahman al-'Izabi, imprisonment for a period of 1 year, a fine of 30,000 dinars and confiscation of the sums deposited in his account abroad, after it was proved in his regard that he continuously accepted bribes, exploited his position as a commercial director and member of the People's Committee in the National Building Materials Organization in Tripoli, and smuggled money abroad, crimes which are punishable in accordance with Article 21 Q and P for 1979 of the Law on Economic Crimes for 1979, Articles Two and Five of the /Law on/ Economic Crimes, and Article 77 of the Penal Code.

18. 'Uthman Ahmad Baltiyah, imprisonment for a period of 1 year, a fine of 20,000 dinars and confiscation of the money deposited in his name abroad, after the charges of accepting bribes, smuggling money abroad and taking commissions from foreign companies, punishable by Article 21 of Law 21 /sic/ on Economic Crimes for 1979 and Article Five of the Law on Economic Crimes for 1977, had been proved in his regard.

19. Al-Bindari 'Ali Hasan, imprisonment for the period of 1 year, a fine of 10,000 dinars, and confiscation of the sums deposited in his account abroad after the charges of taking bribes, committing violations while employed as secretary of the People's Committee of Libyan Arab Airlines, attempting to escape from the jamahiri-yah, beginning and signing for certain projects without submitting them to the People's Committee and receiving bribes, which are charges punishable by Article 21 of Law 2 on Economic Crimes for 1979, Article Five of the same law and /Article/ 77 of the Penal /Code/, had been proved in his regard.

20. 'Abd-al-Wahhab al-Burawi, imprisonment for a period of 1 year, a fine of 5,000 dinars and confiscation of the sums deposited in his account abroad.

21. Muhammad Salim 'Abd-al-Hadi, imprisonment for a period of 1 year, a fine of 20,000 dinars and confiscation of the money deposited abroad, after the charges of receiving bribes and smuggling money abroad, punishable by Articles 21 and Five, final paragraph, of Law Two on Economic Crimes for 1979, had been proved in his regard.

22. 'Abdallah Qasim al-Khuwaylidi, imprisonment for a period of 1 year, a fine of 30,000 dinars and confiscation of the sums deposited in his account abroad after the charges of receiving bribes, smuggling foreign currency abroad, supporting the foreign economy, exploiting his position, engaging in the activity of a middleman and giving and taking bribes, crimes punishable by Article 21 of the Law on Economic Crimes, had been proved in his regard.

23. Muhammad Najib Kamal, imprisonment for a period of 1 year, a fine of 50,000 dinars and confiscation of the money deposited in his account abroad, after the charges of accepting bribes and smuggling money abroad, punishable by Article Five of Law Two on Economic Crimes for 1979, final paragraph, continuous bribery, Article 21 of the same law, and Article 77, Penal /Code/, had been proved in his regard.

24. Bashir Muhammad Saqr, imprisonment for a period of 1 year, a fine of 10,000 dinars and confiscation of the money deposited in his account abroad after the charges of giving bribes, smuggling money abroad and corrupting people's integrity, punishable by Articles 21 and Five, final paragraph, of Law Two on Economic Crimes for 1979, had been proved in his regard.
25. Muhammad al-Mahdi Biltamar, imprisonment for a period of 1 year, a fine of 50,000 dinars, and confiscation of the money deposited in his account abroad after the charges of smuggling money abroad, bribery and the exercise of influence, charges that are punishable by Articles Five and 21 of Law Two on Economic Crimes for 1979 and Article 446 of the Penal Code, had been proved in his regard.
26. Ibrahim Misbah al-Misallati, imprisonment for a period of 3 years, a fine of 300,000 dinars and confiscation of the sums deposited in his account abroad, after he had been found guilty of the crimes of corrupting people's integrity, offering bribes, and smuggling money abroad, matters which are punishable by Article 21 of Law Two on Economic Crimes for 1979, bribery, Article Five of the same law, smuggling, and Article 77, Penal Code.
27. Naji 'Abd-al-Salam al-Silini, imprisonment for a period of 1 year, a fine of 5,000 dinars and confiscation of the sums deposited in his account abroad, after the charges of bribery, smuggling and the sale and purchase of foreign currency, punishable by Article 21 of Law Two on Economic Crimes for 1979, Article Five, Paragraph One of the same law, and Article Two of the Law on Hard Currency and amendments to it had been proved in his regard.
28. Hasan Muhammad Bey, imprisonment for a period of 1 year, a fine of 15,000 dinars and confiscation of the sums deposited in his account abroad, after the charges of taking bribes from foreign companies and smuggling money abroad, punishable by Article 226 of the Penal Code, amended by Laws 73 and 1975 for 1977, had been proved in his regard.
29. Ahmad Salim ibn Fayid, imprisonment for a period of 1 year, a fine of 10,000 pounds and confiscation of the sums deposited in his account abroad, after the charges of smuggling money abroad and bribery, matters which are punishable by Article Five, final paragraph, of Law Two on Economic Crimes for 1979, the same law sic and Article 77, the Penal Code, had been proved in his regard.
30. 'Ali Yunus al-'Urfi, imprisonment for a period of 1 year, a fine 15,000 dinars, and confiscation of the sums deposited in his account abroad, after the charges of taking bribes from foreign companies, acting as a middleman, exploiting his position and military rank as a commander in the navy by offering easy terms for a number of companies to acquire work with the navy, smuggling and investing all his commissions and putting them in accounts outside the jamahiriyyah had been proved in his regard. These are charges that are punishable by Article 21 of Law Two for 1979 on Economic Crimes, 113 of the Military Penal Code, Article Five, Paragraph H, of the Law on Economic Crimes and Article 77 of the same law.
31. Yunus Ahmad al-Kayb, imprisonment for a period of 1 year and a fine of 10,000 dinars, after the charges of buying and selling hard currency and exploiting his position as an employee of the Union Bank, which are punishable by Article Three of Law One on Foreign Currency for 1955, Article 33 of Law Two on Economic Crimes for 1979, Article 35 of the same law and Article 77 of the Penal Code, had been proved in his regard.

32. Muhammad Mahmud al-Darnawi, imprisonment for a period of 1 year, a fine of 30,000 dinars and confiscation of the sums deposited in his name, after the charges of taking bribes, smuggling foreign currency and the violations punishable by Law Two on Economic Crimes for 1979, in Articles 21 and Five, final paragraph, and Article 77 of the Penal /Code/ had been proved in his regard.

33. Fathi Muhammad al-Tashani, imprisonment for a period of 1 year, a fine of 30,000 dinars, and confiscation of the sums deposited in his name abroad, after the charges of smuggling money, bribery, corrupting people's integrity by offering bribes to certain psychologically disturbed persons and dealing in foreign currency, matters which are punishable by Article Five, final paragraph, of Law Two on Economic Crimes for 1979 and /Article/ 77 of the Penal /Code/, had been proved in his regard.

34. Muhammad 'Ali al-Ashhab, imprisonment for a period of 1 year, a fine of 10,000 dinars, and confiscation of the sums deposited in his account abroad, after the charges of receiving bribes, smuggling money abroad, abusing his influence, performing public activities for his friends at the expense of the people's treasury and exploiting his position as secretary of housing for the municipality of Misuratah, which are punishable in accordance with Article 21 of Law Two on Economic Crimes for 1979 and Article Five, final paragraph, of the same law.

35. Al-Tahir al-Tarjuman, imprisonment for a period of 1 year and a fine of 5,000 dinars after the receipt of bribes and exploitation of his position as secretary of the People's Committee for the Misuratah treasury, which are punishable by Article 21 of Law Two on Economic Crimes for 1979 and Article Five, final paragraph, of the same law, had been proved in his regard.

36. Salim Khalifah al-Murabit, imprisonment for a period of 1 year and a fine of 50,000 dinars, after the charges of receiving bribes, theft and corruption of people's integrity, which are punishable by Article 21 of Law Two on Economic Crimes for 1979, had been proved in his regard.

37. Muhammad Hilmi al-Kayb, imprisonment for a period of 1 year and a fine of 5,000 dinars, after the charges of receiving bribes, giving bribes, abusing popular powers in his capacity as a member of a people's committee, and transferring money to his brother abroad, which are punishable by Article 266 of the Penal /Code/ amended by Law 73 for 1975, and Article 21 of Law Two on Economic Crimes for 1979, had been proved in his regard.

38. Imhammad al-Mabruk al-Daba', imprisonment for a period of 1 year and a fine of 10,000 dinars, after the charges of theft, bribery, betrayal of trust on grounds that he was a member of a people's committee for communications in the Municipality of Gharayan, revealing secrets in envelopes, giving relatives and friends overtime although they did not appear at work, engaging in functions of mediation and favoritism, disbursing salaries to young relatives and friends who were no more than 10 years of age, participating in commodities by withdrawing large amounts of motor oil and storing it in trucks in public vehicles belonging to the people, and helping to obstruct the plan for socialist transformation, which are punishable by Article 21 of Law Two on Economic Crimes for 1979, Articles 19 and 14 of the same law, and Article 77 of the Penal /Code/, had been proved in his regard.

39. Ahmad Muhammad al-Fil, imprisonment for a period of 1 year and a fine of 20,000 dinars, after the charges of receiving bribes, exploiting his position as manager of the al-Rashid Branch of the Sahara Bank, stepping beyond the limits of the powers granted him and acting deviously with respect to Law Four for 1978 had been proved in his regard.

40. Muhammad Hasan Shinbaru, imprisonment for a period of 1 year and a fine of 50,000 dinars after the charges of giving bribes and corrupting people's integrity, which are punishable by Article 21, Paragraph Two of the Law on Economic Crimes, and Articles 46, Paragraph Two, and 77 /of the Penal Code/, had been proved in his regard.

41. 'Abd-al-Karim al-Su'ayti, imprisonment for a period of 1 year and a fine of 40,000 dinars, after the charges of offering and paying bribes, acting deviously in the application of socialism, borrowing large sums of money from the wealth of society, enriching himself at the expense of society, behaving in a tribal manner and behaving in an immoral manner, which are punishable by Law Two on Economic Crimes for 1979, Articles Five and 21, had been proved in his regard.

42. 'Ali Muhammad al-Huni, imprisonment for a period of 1 year and a fine of 10,000 dinars, after it had been proved that he had committed crimes of requesting and accepting bribes, functioning as an intermediary, favoritism, abusing the tasks assigned to him and exploiting them for his own personal interests, and harming the repute of Libyan citizens by taking bribes from foreign companies, which are punishable by Article 21 of Law Two on Economic Crimes for 1979.

43. Ibrahim 'Amr al-'Izabi, imprisonment for a period of 1 year and a fine of 20,000 dinars for committing crimes of bribery, exploitation of his position as manager of the main al-Wahdah Bank in Tripoli, functioning as an intermediary, favoritism, administrative negligence, participation in smuggling activities, and violating banking laws, which are punishable by Article 226 of the Penal /Code/ amended by Law Three for 1975 and Article 21 of Law Two on Economic Crimes for 1979.

44. 'Ali 'Ali Muhammad al-Dahmani, imprisonment for a period of 1 year and a fine of 20,000 dinars, after the charges of taking bribes, facilities, and smuggling money abroad in a constant fashion, which are punishable by Article 21 of Law Two for 1975 on Economic Crimes (bribes), Article Five of the same law (smuggling) and Article 77 of the Penal /Code/, had been proved in his regard.

45. Al-Hadi Musa 'Ammar, imprisonment for a period of 1 year and a fine of 10,000 dinars, after the charges of his exploitation of the Italian firm Dilma for building his home in the al-Andalus section, taking bribes from contractors and agents of foreign companies, and violating the rights of and exploiting his post and the position he was occupying, charges which are punishable by Article 21 of Law Two on Economic Crimes for 1979, Article 745 of the Military Penal Code, and Article 113 of the Military Penal Code, had been proved in his regard.

In addition, the court has ordered that the execution of the prison sentences with regard to the people mentioned above be suspended for a period of 3 years.

Two: /The court handed down verdicts/ of innocence in the cases of:

1. 'Ammar 'Ali al-Funas.
2. Ibrahim Khalil al-Turki.
3. Muhammad Muhammad Abu Kararah.
4. Ibrahim Salman 'Amr.
5. Hasan Hamid Matar.
6. Milad Muhammad Sa'id.
7. Muhammad Jadallah Yusuf.
8. Al-Tahir Arhumah Shaqifah.
9. Muhammad al-Tahir Yusuf.
10. Al-Tahir Muhammad al-Maquri.
11. Miftah Husayn.
12. 'Umar 'Ali al-Subayhi.
13. Shukri Mahmud al-Darraji.

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CSO: 4504/61

BREAKDOWN OF FOREIGN POPULATION

Valetta JAMAHIRIYA MAIL in English 20 Nov 82 p 12

[Text]

● OFFICIAL statistics issued recently by the General Administration of Passports and Immigration show the number of Arab national and other foreigners residing in the Socialist People's Libyan Arab Jamahiriya on August 30, 1982. Details are as follows:

Egyptians	174,158	Maltese	2,425
Tunisians	73,582	Greeks	2,277
Iraqis	1,027	Germans	5,570
Moroccans	2,676	Russians	6,233
Turks	44,546	Poles	10,430
Thailandese	13,383	Bangladeshis	7,307
French	2,743		
Italians	14,906		
British	10,674		
Bulgarians	8,942		
Rumanians	17,868		
Portuguese	1,505		
Syrians	23,227		
Palestinians	12,042		
Sudanese	18,053		
Chadians	2,077		
Koreans	17,483		
Philipinos	7,036		
Yugoslavians	12,707		
Irish	1,024		
Czechoslovaks	2,244		
Hungarians	1,457		
Americans	2,608		
Algerians	5,269		
Lebanese	4,300		
Jordanians	9,435		
Pakistanis	23,680		
Indians	23,472		

The grand total is well over half a million, but informed sources near the General Administration of Passports and Immigration say that the numbers of those countries whose citizens are allowed to enter Libya without an entry visa is probably much larger than the statistics make out. Among these countries are Tunisia, Syria and Algeria.

The same sources say that the number of Chinese and Austrians in the Jamahiriya will be made known after the co-operation agreements recently signed between Libya and these two countries start to be implemented.

BRIEFS

AIRBUS TO PROVIDE ENGINES--Europe's Airbus Industrie may fit British engines into 10 aircraft ordered by Libya to circumvent an American embargo on sales of the American-made engines which are normal equipment for the Airbus. "We are working hard with Rolls-Royce to this end," Airbus Chairman Bernard Lathiere said last week. "We are determined to go ahead with deliveries to Libya." Libya's order of six Airbus A300 and four Airbus A310 aircraft is worth about \$700 million and deliveries to Libyan Arab Airlines, the national flag-carrier are expected to start this year. The aircraft were to have been equipped with engines made by the US firm General Electric but sales of the American engines have been barred by Washington. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 38, 8 Nov 82 p 6]

LAND RECLAMATION PROJECT--AROUND 94 percent of the 20,000 hectares with rainfall rate of less than 50-200 mm have been reclaimed in Wadi Al Bab El Zirai project in Benghazi. This project aims at developing the arable and pasture land to establish an organised rural society in addition to improving the pasture land and increasing the number of sheep to realize the programme of self sufficiency in meats. It also aims to provide perennial fodder all year round. The area of the project's arable land is 51,000 hectares, 1500 hectares are irrigated 10 hectares plots that produce barley, rye, oats and fodder. While the unirrigated plots of 300 hectares each produce barley and animal fodder. 51 percent of the water wells have been completed and 47 percent of the roads esphalted. 38 percent of the macadam roads have been completed and 52 percent of the wind-breakers have been planted. 16 percent of afforestation was completed. [Valletta JAMAHIRIYA MAIL in English 20 Nov 82 p 12]

CSO: 4500/36

EXPANSION OF INDUSTRIAL SUGAR PRODUCTION, CROPS CONTINUED

Paris EUROPE OUTREMER in French No 629-630, Jun-Jul 82 pp 17-18

[Text] A major sugar consumer, using 30 kilograms per person, Morocco leads the African and Asian countries. That is why, for the past 20 years, it has continued to carry out its sugar plan, aimed at achieving self-sufficiency during the decade from 1980 to 1990.

After producing cane from the 11th until the end of the 16th century, Morocco had to give up that type of production because of competition from tropical sugars. Until 1963, all sugar consumed in Morocco was imported in the form of raw sugar that was refined in the country. The opening of the Beth Sunab sugar mill was to mark the point of departure for a national sugar production that has developed steadily to this day.

In its initial phase, the national sugar plan was essentially based on production of beet sugar in the major areas of Gharb, Tadla and Doukkala. Subsequently, cane production experiments in Lower Moulouya and especially in Gharb confirmed the apparently encouraging results of the crop and thus oriented production toward sugar cane, which has since replaced sugar beets in the latter area.

Morocco now has ten beet sugar mills and two cane mills. The contract for construction of a second cane mill has just been concluded, which will increase the total number of production units to 13. Consequently, the country will have a productive potential capable of covering between 65 and 75 percent of the country's needs for its raw material and a refining capacity covering all needs, totaling some 600,000 tons of refined sugar a year.

Sugar Beets: 3.7-Percent Drop in Production

The main industrial crop (72.3 percent of all areas devoted to them), sugar beets have experienced a 3.7-percent drop in production during the 1980-1981 season. Harvested on an area of 56,914 hectares, sugar beets are mainly found in the areas of the Agricultural Development Office, with the exception of those in Tafilalet, Ouarzazate and Souss-Massa. At the provincial directorate level, they are grown in the regions of Kenitra, Fes and Beni Mellal. The area harvested and the corresponding production are down compared with the average for the 3-year period from 1978 to 1980 by 7.8 and 6.1 percent respectively. Yield has increased over the preceding season (7.3 percent) and over average yield for 1978 to 1980 (1.3 percent).

Sugar Cane: Production Record

During the 1980-1981 season, sugar cane production was 621,516 tons, harvested on an area of 7,245 hectares. Sugar cane is grown exclusively in the areas of the Regional Agricultural Development Offices in Gharb and Moulouya. Production has increased 66 percent over the preceding season and 86 percent over average production for the 1978-1980 period. Yield is down 8 percent compared with the previous season and up 7 percent over average yield for the 1978-1980 period.

Needs Covered 60 Percent

Total sugar production rose slightly in 1981, amounting to 353,400 tons, compared with 335,500 tons in 1980. The increase is due, as we have just seen, to the 84-percent increase in sugar production from cane, which amounted to 58,000 tons. On the other hand, beet sugar production dropped from 304,000 to 295,000 tons from one year to the next.

Regarding sales, after remaining nearly stagnant in 1980 (up 2.9 million dirhams -- that is, as much as the demographic increase), they dropped 4 percent in 1981, totaling 587,300 tons. Given this reduction in demand both from households (down 2.7 percent) and industrial activities using sugar (down 7.7 percent), the country's needs were 60-percent covered by local production, compared with 55 percent in 1980.

By the close of the Three-Year Plan for 1978-1980, national refining capacity totaled 659,000 tons, including 446,000 tons in loaf sugar, 45,000 tons in lump sugar and 168,000 tons in granulated sugar, which makes it possible to satisfy demand totally.

The different Moroccan sugar mills and their startup dates are as follows:

	<u>Nominal Capacity (in tons)</u>
Beth National Sugar Mill (Sunab) (1963)	32,000
Tadla Sugar Mill (Suta) (1966)	32,000
Gharb National Sugar Mill (Sunab 1) (1968)	45,000
Gharb National Sugar Mill (Sunab 2) (1968)	45,000
Beni Melal Sugar Mill (SUBM) (1969)	50,000
Doukkala Sugar Mill (1970)	50,000
Tadla National Sugar Mill (Sunat) (1971)	50,000
Eastern Sugar Refinery (Sucrafor) (1972)	30,000
Sebou National Sugar Cane Mill (Sunacas) (1975)	30,000
Loukos Sugar Mill (Sunabel) (1978)	45,000
Surac Cane Sugar Mill-Refinery (1981)	40,000
Zemamra Sugar Mill (1982)	45,000
Gharb Sugar Cane Mill (planned for 1984)	40,000

Within the framework of the 1981-1986 Economic and Social Development Plan, the development of sugar crops fits into a policy of satisfying local market needs and replacing imported products. National production objectives are

614,000 tons of sugar by 1985. The area devoted to beets will total 83,010 hectares in 1985 and that reserved for cane 31,760 hectares.

Regarding sugar industries, the plan provides for the startup of three sugar mills: one beet mill and two cane sugar mills. The plan has already been carried out for the most part, as shown by the following:

In 1981, the Surac cane sugar mill and refinery, located in Dar Guedari in Gharb, was started up, designed to produce 40,000 tons of sugar a year when in full swing, from irrigated cane.

In June 1982, the Khemis Zemamra sugar mill began operation in the irrigated area of Doukkala, for a production of 45,000 to 50,000 tons of beet sugar. The processing capacity of this sugar mill in Zemamra (company with a capital of 120 million dirhams) is 4,000 tons of beets a day and this capacity can be expanded to 5,000 tons, which would make it possible to produce 45,000 to 50,000 tons of white sugar a year. In addition, it will put out as a by-product from 16,000 to 20,000 tons of dry pulp and 10,000 to 12,000 tons of molasses. This capacity can be increased based on development of the irrigated perimeter. The plant, which required an investment of 340 million dirhams will have 180 full-time employees and almost as many seasonal workers.

Finally, construction of the third sugar mill-refinery included in the 5-year plan, to be located near Larache, was awarded at the beginning of the summer to a Japanese consortium which won out over French and German competitors, thanks to exceptional credit conditions. In addition, one of the Japanese firms will buy \$1.5 million worth of shares in the future Moroccan company. Part of the work will finally be subcontracted out to local firms. The plant will have a processing capacity of 3,500 tons of cane a day and will produce 45,000 tons of refined white sugar when in full swing. Startup of the mill-refinery is planned for January 1984 and investments total an estimated \$45 million.

When this 13th sugar mill goes into service, the production potential will be 500,000 tons of sugar a year, which will cover more than 75 percent of national consumption.

It should be noted that as early as 1967, Morocco had a large sugar refinery with that of the Moroccan Sugar Mill and Refinery Company (COSUMAR) in Casablanca, which makes loaf, lump and granulated sugar and sugar tablets for mint tea. Its capital of 60 million dirhams is shared by the government (33.66 percent), the SNI [National Investment Company] (16.34 percent) and COSUMAR (50 percent). It has shares in several of the country's sugar mills.

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CSO: 4519/64

VEGETABLE OIL INDUSTRY ANALYZED

Paris EUROPE OUTREMER in French No 629-630, Jun-Jul 82 pp 38-40

[Text] Although a relatively large producer of edible oils, Morocco cannot meet the demand because of steady expansion of the market and the stagnating production of oil-yielding products. For the next five years, the vegetable oils industry will be dependent on supplies largely made up of imported unrefined oils (152,000 tons in 1980) or seed that will be ground locally. This is an extremely harmful situation for the foreign trade balance, with imports amounting to some 400 million dirhams a year and putting a heavy burden on the Compensation Fund, which supports seed oil. The consumption of oil from seeds was 171,000 tons in 1980.

Limited Consumption

In Morocco, some 170,000 hectares are devoted to olive trees, numbering nearly 28 million, 9.5 million in scattered plantations. The extraction of olive oil is done by several thousand small oilworks (or *maasras*) and numerous industrial units. In 1977, there were 4,932 *maasras* with a total capacity of 182,000 tons (over 5,000 in 1982) and 171 industrial and semi-industrial oilworks with a capacity of 200,000 tons. Most oilworks are located near plantations.

Production is highly uneven. During the 1975-1976 oil season, production totaled 38,000 tons of olive oil, 22,300 tons of which were exported. However, in 1978 and 1979, exports were practically nil because of the extremely low production. The 1979-1980 season yielded 25,000 tons of olive oil. These drops in production stem from climatic conditions, but also from harvesting conditions. The beating technique used inflicts such damage on the trees that production is affected the following year.

Local olive oil consumption makes it possible to meet from 7 to 10 percent of total needs. Domestic consumption is limited because olive oil is more expensive (in 1981, the price of a liter of olive oil from the plant was 8.4 dirhams and that of seed oil 3.85 dirhams, thanks to subsidies) and olive oil mainly goes for exports. In 1979, the value of vegetable oil imports was 460 million dirhams for 174,000 tons.

Olive oil exports totaled only 88 tons, bringing in only 800,000 dirhams. The average price of olive oil exported is 9,090 dirhams a ton, while that of

imported seed oil is 2,644 dirhams a ton. In other words, exporting one ton of olive oil makes it possible to import 3.4 tons of other vegetable oils.

To cover the enormous expense of vegetable oil imports, 52,000 tons of olive oil would have to be exported, and in good years, Moroccan production of olive oil exceeds 55,000 tons.

Oil-Yielding Seed: 5 Percent of Needs

Oil-yielding crops cover some .6 percent of the nation's useful agricultural area. Two crops are grown: sunflowers and peanuts. For the 1980-1981 season, sunflowers were grown over an area of 14,870 hectares, with a yield of 5.85 quintals per hectare and a production of 8,700 tons. Compared with the 1979-1980 season, areas and production are up 88.2 and 61.9 percent respectively (but down compared with the average for the 1978-1980 period by 21.8 and 56 percent respectively). Peanuts are essentially grown in three areas: the provincial directorate of Tangiers and the Gharb and Loukkos Regional Development Offices. During the 1980-1981 season, area, production and average yield were 31,800 hectares, 17,820 tons and 56 quintals per hectare. Production dropped 51.1 percent compared with the preceding season and 41.1 percent compared with the average for the three-year period from 1978 to 1980. In addition, average production for the past three seasons (1978-1979-1980) amounted to only 4,900 tons of oil from sunflowers and 2,150 tons from cottonseed, or about 5 percent of Morocco's needs.

Grinding of oil-yielding seed takes place at two units: one in Casablanca (SEPO [Oil-Yielding Products Company]) and one in Kenitra, with a total capacity of 120,000 tons.

The Oil-Yielding Products Company (SEPO) has a grinding capacity of 60,000 tons a year. It grinds locally produced seed (sunflowers, cotton, safflower and linseed for paint manufacturers) and imported seed (soy, colza). SEPO supplies unrefined oils to the different Moroccan refineries, especially Unigral-Cristal (see below), but it also refines and produces table oils marketed under two labels: Huilor, pure sunflower oil, and Sepo, a fine table oil. Its refining capacity is 40,000 tons a year. SEPO also produces soaps (manufacturing capacity of 20,000 tons a year), baby food and oil cakes (75 percent of the needs of the provender industry).

In 1980, there were 13 oil refineries with a total capacity of some 230,000 tons.. The largest was that of the Unigral-Cristal complex, a limited liability company with a capital of 28 million dirhams, located in Ain Harouda. It has a refining capacity of 70,000 tons of edible oils a year and can make packing for and pack all its production of refined oil. It can also produce 15,000 tons of household soap, 4,500 tons of toilet soap, distill 2,000 tons of fatty acids and produce 1,200 tons of glycerin mainly for export. Its principal activity remains refining locally produced oils (sunflowers, cottonseed) and imported oils (soy, colza). Unigral-Cristal produces two types of oil: table oils marketed under the Cristal label and olive oil under the Mabrouka (virgin lamp oil) and Cristal (fine virgin oil) labels. It should be noted that olive oil is bought from oil producers and filtered and packed by Unigral-Cristal.

In order to reduce the trade balance deficit in this sector and have increased self-sufficiency, Morocco has defined a new vegetable oil policy aimed at production rising from 43,000 tons in 1980-1981 to 61,000 tons in 1986 (42,000 tons of olive oil, 19,000 tons of seed oil). The program of action of the Development Plan provides for an investment package set at 33.2 million dirhams. Subsidies will be granted on the price of nitrogen fertilizers, along with aid for the purchase of major equipment. Operation Production Improvement (APO) will be continued, involving 2.6 million olive trees for the five years of the plan. For the oil-yielding seed sector, the program planned will involve 32,000 hectares of sunflowers by the end of the plan. Finally, a program to introduce large-scale soy crops will also be carried out on 1,500 hectares. Independently of the supplying of unrefined oil and seed to production units, investments under the next plan will be aimed at expanding refining capacities for unrefined oils in order to adapt them to the steadily growing demand. Finally, the new policy should gradually lead to "truth in pricing," which would result in promoting local production of olive oil and relieving the burden of the Compensation Fund.

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CSO: 4519/65

SOVIET ROLE DURING LEBANESE CRISIS ANALYZED

Riyadh AL-RIYAD in Arabic 20 Oct 82 Supplement p 1

[Article by Husayn al-Shar': "Soviet Position and Recent Middle East Events; Soviets Took Part in Durgging Arab Side in 5 June War and Confronted It With Israeli Air Force Surprise; Moscow's Position vis-a-vis Israeli Invasion of Lebanon and Beirut Blockade Has Revealed to Arabs Important Facts About Soviet Position Toward Them"]

[Text] The Soviet Union is one of the two superpowers on the face of the earth. It has gained this status as a result of the extensive and heavy production of the Soviet economy, the accumulated production of conventional and strategic weapons, the major successes achieved by the Soviet forces in World War II after the Soviets had been exposed to 5 years of Nazi occupation during which the Third Reich army reached the gates of Moscow, threatening the October revolution, the soviets and all the programs established and implemented in this continent-like country throughout the long years from 1917 to 1939. The Soviet Union was one of the most important countries attending the peace conference and one of the countries that played a prominent role in drafting the Yalta Treaty after World War II--a treaty that had profound and long-range effects in dividing the world, on the rise of new states and kingdoms and in delineating the borders between East and West. The Soviet Union then emerged as a world power heading a number of countries and controlling with thought and action all of East Europe. In 1951, the Soviet Union formed the militaristic Warsaw Pact, COMECON (Council For Mutual Economic Assistance) and contributed to bringing success to Mao Tse-tung's revolution in People's China and to bolstering its independence, supplying it with weapons and with economic aid until the rupture between China, led by Mao Zedong, and the Soviet Union, led by Khrushchev. In the period after World War II and extending to the creation of the NATO and all the organizations underlining the division of the world into East and West and into capitalist and socialist, with the West led by the United States and the East led by the Soviet Union--I say that throughout this period, the Soviets worked ceaselessly to extend the Soviet state's influence and to expand it to include capitalism, in fact the entire world, in response to Marx's statement that socialism is the daughter of capitalism, even though socialism is capitalism's antithesis, and that establishing socialism requires fighting imperialism wherever it may exist, considering that it is the highest phase of colonialism, as Lenin also said in his book under this title.

One of the Soviet Union's objectives was to look in the direction of the neighboring countries to safeguard its security and stability and not to allow these countries to fall prey to the schemes of the United States, which started preparing as of the 1950's to impose on the Soviet Union a siege on all sides, subjecting it to a blockade that it could penetrate. Thus, the thinking of the successive U.S. administrations turned to:

Establishing military alliances.

Planting U.S. bases in the countries surrounding the Soviets.

Establishing a joint defense system with these countries.

So there was the Baghdad Pact, a pact in Southeast Asia including all the countries tied to the United States, a treaty with the organization of Latin American countries and the NATO treaty between Europe and the United States. But the Soviets did not call for the establishment of alliances as the Americans did because the Soviets are characterized by long-range policy. Their movement and their attention was focused in particular terms on:

The national liberation movements.

Countries having recently achieved their independence, as in the case of some Arab, African, Asian, Central American and South American countries.

Bolstering the movements for independence from the East and the West, as in the case of the nonalignment movement, so that they would not fall under the custodianship of the United States.

Consequently, Soviet relations after 1955 focused on:

Cementing the bases of a clear-cut cooperation with Egypt, Syria and Iraq, after 1958.

Moving afterwards toward comprehensive economic, political, arms and defense cooperation with Egypt, Syria, Iraq, Libya, Algeria and North and South Yemen and partial cooperation with Morocco and a number of other countries.

The proceeding to conclude joint cooperation treaties with Egypt (abrogated in 1974), Iraq, Syria, Yemen and the Jamahiriyah. If the course of events made it a must for the Arab frontline states to turn toward building relations with the Soviet Union, then this tendency was due to three considerations:

1. The first consideration was that the history of the Arab relationship with Europe was tied in the minds of the Arab leaders to the phase of colonialism and to the creation of Israel.

2. The relationship with the Soviet Union and the socialist countries is based fundamentally on the theories [turuhat] espoused by the Soviets regarding full cooperation between complete equals without intervention in the internal affairs of these countries, especially in the wake of the 20th [CPSU] Congress, which advocated the policy of peaceful coexistence and of refraining from the export of revolution.

3. The relationship with the Soviets that was adopted by the Arab leaders, including Jamal 'Abd al-Nasir, was founded on the basis that it was the only possible relationship under the conditions and circumstances of the Arab-Zionist conflict. Moreover, the relationship between the Arabs and the Soviets was new and free of complexes and past history.

Thus, the years 1955-67 witnessed development in the dimensions of the relationship between a number of Arab countries and the Soviet Union. These relations grew stronger after the 1955-56 Suez war and after construction of the High Dam and the conclusion of the technical cooperation agreements between Egypt, Iraq and Syria and the Soviet Union, in the wake of the Soviet position toward the Algerian war against French colonialism and as a result of the new Soviet position toward the Arab causes in the U.N. lobbies. This relationship developed despite the estrangement occurring in 1959-60 as a result of the deviation of the 14 July revolution in Iraq and the United Arab Republic's position toward the Iraqi leadership at the time. Jamal 'Abd al-Nasir hit the communists in Syria and Egypt for their anti-unity stance at the time. But even though verbal arguments broke out between Khrushchev and 'Abd al-Nasir over this issue, the Soviets did not push the matter too far out of concern for their interests and to avert an estrangement that would have developed had the ruling U.S. mentality been able to offer solutions to the Palestinian issue acceptable to the Arabs. Despite this, the Soviets were able to achieve the following through their relations with the said Arab countries:

They became the suppliers of weapons valued at thousands of millions, which put the Soviet arms and industrial production machine into operation.

They became the suppliers of high rates, amounting to more than 50-60 percent, for the Arab countries' imports of these industrial commodities through the conclusion of contracts to set up plants in Egypt, Syria, Iraq and Algeria.

They monopolized the importation of some agricultural commodities exported by the Arab countries, such as cotton and grains.

In cooperation with Romania and Czechoslovakia, they became the suppliers of a high percentage of the expertise used in plant and railroad construction and in the petroleum, petrochemicals and refinery sectors.

They hosted large numbers of students from these countries to be educated in Soviet universities, conducted courses for those students and graduated so many with high degrees that more than 60 percent of the university professors in Egypt, Syria and Algeria graduated from the Soviet universities.

They also blended their systems and some of their laws [with those of the said Arab countries], with such systems and laws being transferred by the ruling political parties in the Arab homeland, which began to imitate the Soviet party system, but in the Arab fashion, thus reaping more negative than positive results.

The events of 1967 were the starting point for an intensification of Arab-Soviet relations. The debris of the defeat put the Arabs of the frontline states at the Soviet door anew, being motivated by new considerations, namely, that the United States supported Israel 100 percent, that the Europeans were swamped by the U.S. approach and that the Soviets alone were with the Arabs. The Soviets were [with the Arabs] in the Security Council and the General Assembly. They were the ones who expressed their readiness to make up for the weapons [lost by the Arabs] and to supply new types of weapons through loans. They were the ones who exported the plants for loans and with interest and they are the ones who wanted these countries to turn completely eastward.

But within the framework of searching for the causes of the 1967 defeat, observers and researchers find that the Soviet Union shares responsibility for what happened, considering that it participated in drugging the Arab side and confronting it with the Israeli Air Force surprise. This happened when the Soviet ambassador in Cairo warned the Egyptian side not to initiate the offensive under the pretext that Israel would not start it, relying on a message sent by the then U.S. President Lyndon Johnson to the Soviet leaders. We should keep in mind that the sweeping Israeli offensive on the morning of 5 June could not have gone undetected by Soviet surveillance in an area that had been aflame for 2 months prior to that date. The Soviets themselves warned the Syrian leadership at the time that Israel was amassing force to storm Damascus. The subsequent succession of events is well known. It is well known how 'Abd al-Nasir wanted to support Syria, thus expelling the U.N. forces from Sharm al-Shaykh and the Tiran Straits and amassing military forces in the Sinai, how the area seemed to be in a state of all-out war, how an Israeli national coalition party government was formed just 3 days prior to the 5 June war, how the U.S. administration under Johnson took a clearly hostile position toward the Arabs...and so forth. Consequently, the Soviet Union shares an obvious responsibility for the 1967 defeat and its consequences. Whoever reviews Jamal 'Abd al-Nasir's resignation speech of 9 June will find a clear suggestion of this responsibility.

After 1967, the Soviet leadership wanted to shore up in practical ways its relations with the regimes in Syria, Iraq, Algeria and South Yemen. Thus, the Egyptian and Syrian armed forces and the armed forces of the countries having relations with the Soviets were rearmed and the quality of the weapons supplied was improved. After 1968, Egypt improved its potential to embark on the war of attrition to exhaust the Israeli side. The Soviets continued to supply whatever weapons and equipment their leaders allowed. A new relationship developed between Egypt, Syria, Iraq and Algeria on the one hand and the Soviets on the other. The Soviets focused their main attention on exerting pressure on the United States through its relations

with the Arab countries after it seemed that the United States through its relations with the Arab countries after it seemed that the United States had been defeated in the Vietnam war in Southeast Asia. The Vietnamese victory was in fact a triumph for Soviet weapons and ideology [words presumably dropped] between President Nixon and Brezhnev to obviously avoid discussing the crisis unfairly called the Middle East crisis whereas it is in fact the Palestinian issue and the subsequent occupation of Arab territories in Sinai, the West Bank, the Gaza Strip and the Golan. The Soviets could have exerted strong and effective pressure to achieve important political results for the Arabs. But from the viewpoint of the Soviets, the priorities called for withdrawal of the Americans from East Asia through the detente talks, through the clear Indian victory over Pakistan and through creation of the Bangladesh Government at a time when the situation here remained one of no peace, no war--especially after the failure of the Rogers initiative and of the mission of UN envoy Jarring. Thus, the area continued to be used negatively as a mere card in the international political game, keeping in mind that the Soviets were required to warn the Americans of the consequences of persisting in their hostility to the Arab rights and of establishing Israel as the greatest force in the area.

Meanwhile, the Palestinian forces were able to stand on their feet and began to carry out military operations against Israeli targets. What was the Soviet position? Their position was that such operations do not achieve security and peace in the area. They persisted in this position until Jamal 'Abd al-Nasir took Yasir 'Arafat with him to meet Brezhnev and to open channels for the Palestinian revolution to meet with the Soviets so that the latter could supply the revolution with weapons and support their rights in the international arena. But this did not strengthen the relations between the Soviets and the PLO and fedayeen organizations before 1970 for one simple reason, namely, that the Palestinian resistance had started to create a new situation in the area--a situation that did away with the partisan tendencies that had been exploiting the political arena here. The PLO said the action arena is here in its capacity as an Arab and Palestinian national liberation movement. It also said that completing the national liberation tasks calls in the final analysis for finishing the PLO's tasks. As long as Israel continues to be a force of aggression with a colonialist and settlement-oriented nature, the Arab and Palestinian national liberation tasks will continue to be lacking and impossible to achieve, and it will also be impossible to move to a new phase, namely, the phase of bolstering political and economic independence and of creating a society that is free of fear and backwardness. To put it briefly, the partisan tendencies of the Arab communist parties began to retreat in the face of the scope of the Arab mass movement to join the Palestinian revolution after 1967.

These new facts in the area made the Soviet leadership move very cautiously in its relations with the Palestinian resistance movement before 1970 and also in its relations with the Arab regimes that displayed strong enthusiasm toward this movement. The reasons that made the Soviet leadership follow a cautious policy in the area were:

Detailed studies must be conducted of the recent events in Lebanon in terms of our relations with the world and of the role of each of the international powers in this respect. Such studies must be conducted objectively and without prejudices or complexes because the Arabs cannot continue to be as they are. From the abyss of defeat and from the shadows of doubt must grow an Arab force capable of standing on its own feet--a force that can achieve the great goals of this nation and stand as an equal with other international forces. We have all the resources for such positions, but action is suspended.

Once again I say that the Arabs have a lot to censure the Soviets for. But we are not in the process of tasking the Soviet Union. This censure emanates fundamentally from our feeling of being let down and of being undermined by the two superpowers. Until the opposite is proven, we must form the force with which the friend stands and that the enemy fears.

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CSO: 4404/87

the exposure of the Syrian forces, especially the air defense forces and the air force, to enemy strikes designated to paralyze the movement of these forces Lebanese airspace? What proofs confirm the negative nature of this position? What interpretations are advanced to justify this position or (to blame others for it)?

To answer these questions, we must underline the following points for fear of being accused of prejudice, of launching an attack not at all founded on logic or of considering the Soviet Union a peg on which to hang all the grave and harmful Arab mistakes:

1. The Soviet Union's friendship with the Palestinian revolution and Syria is well known. The Soviets have recognized the PLO and have given its representative in Moscow the status of ambassador extraordinary. Brezhnev received Yasir 'Arafat during the latter's visit and 'Arafat was accorded the treatment of a head of state. Arab circles generally welcomed this Soviet recognition of the organization. It is also no secret that the Palestinian revolution has excellent relations with the Soviets and that it considers the Soviets the ally and the equalizer confronting the U.S.-Israeli alliance. Consequently, the Palestinians have always felt that they are considered pro-Soviet as a national liberation movement--a movement that the Soviet Union has been trying to push toward establishing more significant relations with it and with the people's democracies. Israel has implanted this in the minds of the U.S. leaders, who have come to believe that their struggle with the Soviets in the area passes through the Palestinian revolution and Syria.

2. The Soviet Union could have pressured the United States to stop Israel from carrying out its aggressive scheme and could have moved in this direction through several political and military channels. Had the Soviet fleet in the Mediterranean prevented the Israeli fleet from establishing clear control over the Lebanese territorial waters, the entire Israeli blockade of West Beirut would have failed. Moreover, practical Soviet intervention to intercept the Israeli military operations by sea would have put in the hands of the United States a strong argument for exerting pressure on Israel to avert an international tragedy.

3. Salah Khalaf, a Fatah leader, pointed out in an interview with a German paper that the Soviet Union could have intervened had one of the Arab countries asked it to do so. But what difference would it have made if the PLO made such a request, considering that the Soviet Union recognizes the PLO and has relations with it? But the Soviet Union decided to let the U.S. game take its course and to let the Israeli forces achieve their goal because it is basically experiencing enormous economic, political and internal pressures. These justifications have no place in international strategic reasoning. Why? Because the Soviets declared at the time of the Beirut blockade that the Soviet fleet was moving in the direction of the Mediterranean in view of the fact that Israel's actions threatened the southern Soviet borders. Then why didn't the Soviets move? The world press agencies have reported snatches from the talks between the Arab delegation consisting of the Kuwaiti and Moroccan ministers of foreign

affairs and Gromyko and the Arab delegation's urging of the Soviet Union to move to do something. Gromyko answered the request by urging a unified Arab position and saying that the Arabs are closer to the Palestinians than the Soviets. This is true, but if the position of the great powers follows that of small powers and if the great powers think along the lines of who is closer and who must move first, then this is a serious precedent for fundamental considerations, namely:

1. Because the Palestinian revolution is considered a liberation movement and a part of the world liberation movement.
2. Because the Soviet Union is the superpower that has recognized this revolution and has aided it and because each is considered a supporter of the other.
3. Because the aggressive scheme seeks to lestroy and annihilate the Palestinian revolution and to "Balkanize" Lebanon as a start for the "Balkanization" of the entire area. Ultimately, such "Blakanization" poses a threat to the Soviet Union.

Therefore, the recent events and their military and political consequences, which led to the departure of the Palestinian resistance from Beirut, to its dispersal, to the Israeli Army's occupation of Lebanon from the south to Beirut, to this army's perpetration of the most enormous barbaric massacre and war of annihilation against the Palestinian camps from South Lebanon to Sabra and Shatila and to the ugly criminal acts carried out by this army against Sabra and Shatila camps--all these events took place over a period of 4 months during which the West and the Soviets could offer nothing. Even if the Arab position has been paralyzed as a result of subsidiary conflicts and of the scheming of the forces that have an interest in these conflicts, the Soviet Union is not a power to be compared with a small state. The Soviet Union was required to take a clear and definite position in support of the Palestinian revolution and a position deterring Israel and the U.S. stands that support the Zionist state because in the final analysis such a Soviet position serves the directions of the Palestinian national liberation movement and achieves tangible progress for the Arab liberation movement, which has been tied to the Soviet position in one way or another. The Arab forces with their various political colors have denounced this ineffectual Soviet position and some of these forces have linked this position argumentatively with the Soviet position prior to and after 5 June [1967]. Some of them have said this can be neither friendship nor cooperation, and other forces have launched justification campaigns, and they are right in doing so because the ARabs need the Soviet Union as they need other countries. Should estrangement develop with the Soviets, the danger would be greater and more general because the Americans will not stop humiliating the Arabs and strengthening Israel in every position and at every level.

1. This leadership's certainty that after 'Abd al-Nasir's death al-Sadat would proceed in the direction of alliance with the United States. This tendency became evident when al-Sadat expelled the Soviet experts from Egypt in 1972 after succeeding in toppling the political forces considered pro-Soviet ('Ali Sabri's group and Sha'rawi Jum'ah).

2. The attack on the Sudanese Communist Party after Hashim al-'Ata's abortive coup attempt against President Ja'far Numayri, the ban on this party's activity and the death [execution] of 'Abd al-Khaliq Mahjub, the party secretary.

3. The exposure of the Iraqi Communist Party, both the splinter Central Command group and the Central Committee group, to liquidation.

4. The open instigation of a number of Arab countries against the Soviet arms policy, countries which said that the Soviets offered the Arabs only old weapons not comparable in their sophistication with the U.S. weapons put at the disposal of the Israeli army, not to mention other remarks regarding the Soviet gains from the state of conflict, the deep-seated bureaucracy in the Soviet leadership and the concentration of the decision-making power in a complex succession of Soviet old men.

Add to this that numerous elements and factors interacted in the popular relationship of the Arab masses with the Soviets. The frustrations of the Arab situation reflected ultimately on an ally who could not be compared with Israel's ally. This public opinion was silenced by the theoreticians of cooperation and by the Arab information media, which used to say:

1. Our relations with the Soviets could not be like the relationship between Israel and the United States because of the difference in the form and content of this relationship.

2. The Soviets are not required to bring in their Red Army to fight for our armies.

3. The Soviet weapon was effective. But by its nature, the U.S. position was also effective in rescuing Israel, as happened in the 1973 war when new tanks designated for the U.S. Army were diverted to the Israeli Army on the Egyptian front, if the story told by al-Sadat is true. Even though these opinions were stated in this manner, the Soviet Union had, and still has, the major responsibility in the Arab-Israeli conflict because the Arabs allied with it offered a lot--a lot that reached the extent of alliance.

My purpose behind the above introduction is to provide a brief background to the development of Arab-Soviet relations. If the 1967 events were in harmony with the circumstances under which the Arab countries were living at the time, then what has been the Soviet position toward the 1982 events, the Israeli Army's invasion of Lebanon, its occupation of West Beirut, its threat to slaughter the Palestinian resistance and the Lebanese national movement, its blockade of West Beirut for nearly 80 days, and

UNREST IN SOUTHERN SUDAN CITED

London AFRICA CONFIDENTIAL in English No 22, 20 Oct 82 pp 3,4

[Excerpt]

Southern Sudanese are unhappy about the implications of the recently signed 'Charter of Integration' between Egypt and Sudan. They are particularly worried at the spectre raised in the Charter of Egyptian farmers working uncultivated land in Sudan, and fear this may mean a revival of plans — always officially denied by both governments — to open up newly irrigated areas around the Jonglei Canal to landless but green-fingered *fellahin* from Egypt.

Part of the rationale behind the signing of the Charter is to emphasise the similarity of interests between peoples inhabiting the banks of the river Nile. Some influential statesmen in Cairo and Khartoum like to see Egyptian-Sudanese 'Integration' as the first step towards a similar agreement taking in all the riverine and adjacent countries, including Libya, Chad, the Central African Republic, Zaire, Uganda, Kenya, Ethiopia, Rwanda and Burundi. If visionary, it is undoubtedly far-fetched. At least the Sudanese-Egyptian link is politically just feasible while southern Sudan remains divided and weak.

Today, as for the past century, the adage remains that he who controls the upper reaches of the Nile is master of Cairo and the Suez Canal. This understanding has not been lost on presidents Hosni Mubarak and Jaffar Nimeiri. Both have been worried about growing political unrest in southern Sudan and have clearly decided to emphasise the integrity of the Nile valley in order to deter support for dissident southerners from either Libya or Ethiopia.

There is something of a gamble in this approach since, as might have been expected, news of closer links between Egypt and Sudan has exacerbated tensions in the south. (AC Vol 23 No 4). We note four areas of risk:

■ **Political.** The new 'pro-redivision' Higher Executive Council headed by James Tombura (AC Vol 23 No 14) has yet to find its feet following last spring's bitter election campaign (AC Vol 23 No 7). Opinion in the region is certainly still equally divided, if not openly opposed, to proposals to divide the south into three. But Nimeiri is being pushed by his Muslim Brother supporters in Khartoum to go ahead with redivision. Opponents of the suggestion say this is to keep the south weak at a time when oil could give it more leverage in national affairs.

■ **Oil.** Certain sections of southern opinion were opposed to the siting of Sudan's proposed oil refinery at Kosti in the north rather than at Bentiu, close to the oil fields, in the south. They are now equally opposed to the recent policy decision to postpone construction of a refinery and concentrate on building an export revenue earning pipeline from Bentiu to the Red Sea coast instead. They say this will mean the south will get even less return than with the refinery proposal. They also complain that the Bentiu area has seen none of the extra S£1m development money promised by the Sudanese government to compensate for the loss of the original refinery site at Bentiu.

■ **Economic.** Many southerners are angry that economic decision-making power is being increasingly taken out of their hands. According to one report, officials in Juba are no longer allowed to have direct trading links with neighbouring African countries, notably Zaire.

■ **Security.** A partial breakdown of administration and law and order over the past 18 months has led to a revival of Anya-nya guerrilla activities, particularly along the Ethiopian border. Foreign consultants working on the Jonglei project have been reportedly held up at gun-point in the region between Malakal and Bor.

Further to the south the influx of Ugandan refugees — with their large supply of weapons from Amin times — still poses security problems. Many have sold their weapons to local people. Sudanese security officers say they have discovered links between this phase of lawlessness and exile opposition groups based in Addis Ababa. (Conversely, this provides another reason for the governments in Khartoum and Cairo to underline the unity of interests along the Nile).

CSO: 4500/32

MOALLA DEFENDS SIXTH PLAN

Paris AN-NAHAR ARAB REPORT & MEMO in English No 38, 8 Nov 82 pp 6, 7

[Text]

A misprint in a publication issued by Tunisia's Ministry for Economic Affairs appears to have sparked off a lively controversy about the state of the country's economy. *Conjoncture*, which is published by the ministry, reported that Tunisia's imports had risen by 30 per cent during the first half of 1982 while exports had fallen by 1 per cent. These figures, together with other economic data given by *Conjoncture*, prompted the opposition Social Democrats to charge last month that Tunisia was the victim of the "misdeeds due to an unbalanced growth" and to predict that "public and private economic institutions are on the brink of bankruptcy as the result of bad management and wastage." At the same time, the UGTT (Union Générale des Travailleurs Tunisiens) labour federation warned the government that it must take "energetic" measures to halt price rises.

A crisis? Not so, insisted Tunisia's Minister of Finance and Planning Mansour Moalla in a letter last week to the Paris daily *Le Monde*. The true figure for the increase in imports was 3.5 per cent, he wrote. The figure of 30 per cent was a proof-reader's error. Tunisia, he insisted, had not veered wildly off course but was moving along lines plotted in advance by the country's fourth five-year plan covering the years 1982-86. It is noteworthy that the plan calls for an annual increase in imports of 3.8 per cent.

Exports are supposed by the plan to rise by 6.6 per

cent a year and the minister's letter referred to the "rhythm of progress" of sales abroad. The outcome would be "within the framework of economic forecasts" of the plan insofar as Tunisia's balance of payments was concerned, the letter stated.

Figures for exports for the first half of this year were not, however, very encouraging. Tunisia's three important sources of foreign exchange, hydrocarbons, phosphates and tourism, were hit by lower earnings during this period. Output of crude oil declined by 8.5 per cent whereas the predicted fall had been of the order of 5.1 per cent for 1982, bringing output down from 5.41 million tonnes in 1981 to 5.14 million tonnes for this year. Production of phosphates fell by almost 9 per cent during the first half of the year but exports of processed phosphates did increase. Tourism was hurt worst of all, with earnings for the first six months down by 22 per cent, reflecting a fall in the number of visitors from Europe and from neighbouring Algeria. Tourism did, however, rebound during the third quarter but *Le Monde* reported that the increase had not come up to expectations. On the brighter side, the newspaper noted, was a grain harvest that was likely to attain a record level of 12 million tonnes.

As for inflation, the rate stood at 12 per cent during the first half of 1982 and was expected to be 13 per cent

for the year. Inflation had been 8.2 per cent during the first six months of 1981 and the plan envisaged a rate of 8.5 per cent for this year, according to *Le Monde*. It said this added inflation would mean a rate of growth for the Tunisian economy in 1982 of 2 to 3 per cent whereas the plan calls for growth of 6.7 per cent in the country's Gross Domestic Product.

Mr Moalla's letter dismissed charges that mismanagement was forcing Tunisia to borrow money on international financial markets. Such borrowings were normal and were included in the plan, he declared. According to the plan, financing of investments from outside Tunisia is supposed to account for 25.6 per cent of the total, up slightly from the 22.3 per cent level during the decade from 1971 to 1981 but down sharply from the 40 per cent level during the 10 years from 1961 to 1971. The letter noted that Tunisia's debt servicing ratio would be 16.7 per cent, almost the same as for the previous five-year plan (16 per cent). The stability of the rate of borrowing to finance investment, Mr Moalla wrote, "demonstrates Tunisia's will to control its foreign indebtedness despite the difficulties engendered by unfavourable international conditions." Besides, he added, borrowing on the money market only involves some 15 per cent of financing from abroad envisaged by the current plan.

"Approaches to the international market will thus be made in conformity with a timetable set down in the plan and in the light of the more or less favourable evolution of the balance of payments," Mr Moalla wrote. He noted that this balance "does not seem to be going outside initial forecasts."

Mr Moalla said that although recourse to foreign loans had been provided for in the Tunisian budget since 1977, it had not been necessary to borrow from abroad in 1979, 1980 and 1981 because revenues during those years had exceeded expectations. There would therefore be nothing unusual, he insisted, if Tunisia were to borrow on the international market in accordance with provisions of the country's 1982 budget.

CSO: 4500/33

PLANS FOR NEW PETROLEUM INVESTMENT FIRM DISCUSSED

London AL-MAJALLAH in Arabic No 140, 16-22 Oct 82 p 45-46

[Interview with Khalifah al-Ghayth, deputy director of the Abu Dhabi Investment Agency: "Deputy Director of Abu Dhabi Investment Agency: Investment in Arab Area Is Higher Than in Western Countries"]

[Text] Abu Dhabi--The Abu Dhabi Investment Agency and the Abu Dhabi National Petroleum Company are preparing to set up a petroleum investment company that will engage, among other things, in oil prospecting, production and marketing and give special importance to petroleum processing. Khalifah al-Ghayth, deputy director of Arab and local investments in the Abu Dhabi [Investment] Agency, has reviewed in an exclusive interview the investment company's plan, the actual situation of Arab investment in the Arab homeland and the possibilities of Arab investment in Lebanon during the reconstruction phase. Here is the interview:

[Question] What is the nature of the petroleum investment company planned to be set up, what are its goals and when do you expect it to start?

[Answer] Petroleum is considered the basis of development in the Gulf, and to insure the proper utilization of the oil wealth, the company's activity will include all spheres, such as prospecting, production and marketing, with special attention devoted to the petroleum industries. The company will also be given the freedom to set up its projects inside or outside the UAE, depending on what it deems suitable. It is planned for the government to have full ownership of the company in the first phase after it initiates its activities, with provisions to offer some of the company's shares for public subscription by UAE citizens after being sure of its success. It is expected that the bill on the company will be studied and amended within 6 months, making maximum use of the experiences of other countries in this sphere, especially the experiences of Kuwait.

[Question] How do you view the issue of investment in the Arab homeland?

[Answer] In principle, the Arab homeland is now the best area for investment for numerous reasons, including the increased interest of the capital-hosting countries in attracting Arab investments and their efforts to create the proper investment climate through clear laws, incentives and exemptions

and, at times, by presenting complete feasibility studies on projects that need financing. On the other hand, we find that the economic and political risks of investment in the international markets have increased recently with the emergence of a number of political changes, with exchange rate fluctuations and with the incidents of asset freezing and economic sanctions. Fortunately, the Gulf investor has gained a rich experience in investment and has become capable of opening spheres that he had imagined to be difficult or closed. Moreover, the governments themselves now encourage the channelling of some capital toward Arab markets, considering that the Arab world is an integrated economic unit containing all true development components, such as raw materials, capital, manpower capabilities and markets. It must be pointed out here that conclusion of the agreement to encourage investment and the foundation of the Arab Investment Insurance Establishment have produced a fundamental, positive change in the Arab investment climate because they now protect the investor from non-commercial risks emanating from political changes.

As for the yield of the investment operation, it has become evident that the Arab homeland can produce a higher yield than Europe and the United States as a result of the exorbitant taxes [there] and due to the lack of any special advantages for foreign investment in the West generally.

Though all these factors help in the process of Arabizing our investments, we must admit on the other hand that there are numerous negative factors or obstacles, such as:

The failure to complete infra-structures in many of the [Arab] countries that enjoy vast agricultural or industrial potential, such as Sudan, where the lack of modern means of transportation, communication, a banking system and the like prompts those with capital to refrain from investing.

The failure to complete the laws regulating the investment process in most of the Arab countries and the ambiguity of the government agencies in charge of dealing with the investors, all of which causes considerable confusion that often threatens an entire project.

The inability of the private sector to oversee many of the obstacles by organizing meetings between businessmen in the capital-possessing and capital-receiving countries to demonstrate investment opportunities. It seems that such meetings produce immediate results, as happened in the wake of the investment conference held in Tunisia and the first Arab businessmen and investors conference held in al-Ta'if.

There is no doubt that this also includes the capital-possessing countries, whose governments are still performing the major role in the development process. It seems that the time has come for the private sector to participate effectively in these projects. Investment in the Arab homeland remains the most beneficial even if short-term profit is meager compared with the profit from commercial activity or investments. In the medium range, the picture is reversed. There is more than one sphere on which the emphasis must be laid, especially the industrial sector generally and petrochemicals in particular. In the coming phase, the citizen can

participate in existing projects or engage in activities complementing them on the basis of the ideal exploitation of available natural resources. This is in addition to the agricultural sector where there can be put to use the government's encouragement of agricultural activity and the head of state's direct interest in the sector and in overcoming the difficulties emanating from the nature of the country as a desert country and from the high costs of agriculture.

[Question] What, in your opinion, is the role and responsibility of the Arab financial institutions in assisting Lebanon to revive its businesses and restore its role?

[Answer] I believe that with the start of the reconstruction process, Lebanon will become an attractive center to most Arab and foreign investors because it will provide an extraordinary investment opportunity. Despite the long duration of the war and the extent of the destruction incurred, the basic factors for the establishment of sound economic activity in Lebanon are still present. For example, the banking sector is still strong and capable of serving the investor efficiently. This is no surprise because Lebanon has been a pioneer in the Arab world's banking industry since the 1920's when there was no noteworthy activity in the area. Even though the war has somewhat diminished this role, Lebanon will soon regain its previous position. Moreover, the Lebanese pound continues to maintain its strength and is considered one of the strongest Arab currencies, and this constitutes an important attraction to the investor. This is in addition to the climate of economic freedom and banking confidentiality. I believe that the private sector will be the forerunner in investing in Lebanon. The Arab development funds and investment agencies will follow at a later phase to finance major development projects.

8494

CSO: 4404/82

GENERAL BANKING SITUATION, ROLE OF CENTRAL BANK DESCRIBED

Beirut AL-IATISAD WA AL-A'MAL in Arabic No 20, Oct 82 pp 76-77

[Article: "Arab Banks"]

[Text] On 2 December 1981, the UAE entered its second decade as an independent state.

With the state's oil and gas revenues totaling nearly \$20 billion and with its national economy growing to \$30 billion, i.e., growing threefold between 1975 and 1980, the UAE now has one of the highest per capita incomes in the world, totaling \$23,900.

Since the foundation of the UAE and the establishment of the Currency Council in 1973, the financial structure has developed appreciably as a result of the rapid growth in the number of banks and financial establishments. The council's liberal policy for developing the state as a major financial center has given this development an added momentum that has turned the UAE into the state with the highest bank-to-population ratio in the world.

By the end of 1981, the number of banks registered in the UAE reached 49 operating a network of 347 branches. Of these banks, 21 are registered locally and have 125 branches and 28 are foreign with 222 branches. The UAE financial structure includes 5 foreign banking units, 2 commercial banks, 9 investment institutions, 2 specialized banks, 4 financial institutions, 19 representative offices of foreign banks and a number of money changers and foreign currency dealers.

Financial Policy and Central Bank

The Central Bank, founded at the end of 1980, enjoys broader regulatory powers than the previous Currency Establishment [Council] and, consequently, exercises more effective control over the financial institutions and banks operating in the UAE. In fact, the first measure adopted by the bank was to strengthen the national financial institutions by curtailing the growth of the foreign institutions. Subsequently, the foreign banks were "advised" of the need to reduce the number of their branches and to close 89 of their branches within a 2-year grace period, beginning in January 1982.

The Central Bank has undertaken the task of developing a policy based on channelling financial resources toward diversifying the national economy, guided in this by the priorities of developing the financial and industrial sectors. Other measures taken by the Central Bank since its foundation also deal with stabilizing the value of the dirham within an open and advanced financial market. These measures include:

Establishing a special reserve amounting to at least 10 percent of the net annual profit of all banks operating in the UAE, with provisions for increasing this reserve gradually to 50 percent of the capital of each bank.

Establishing restrictions on credit facilities for barter between the dollar and the dirham.

Gathering financial data, especially data pertaining to loans, and placing it at the disposal of the chairmen and members of the banks' boards of directors, with details of unpaid loans.

Controlling money conversion operations.

Introducing modifications into the conditions imposed on the founding of banks, including a modification requiring that a bank's minimum capital total \$180 million, with 70 percent of this capital owned by UAE citizens.

Establishing restrictions on the compound interest charged for fixed debts.

Barring banks from participating in the capital of new companies or in increasing the capital of existing companies, except under special circumstances and with the approval of the authorities concerned.

Instructing the commercial banks to publish their annual budgets.

Setting up a special bureau to observe bank loan activities.

One year after its activities began, the Central Bank's annual report details the bank's actions and accomplishments during that year as follows:

By the end of 1981, the bank's assets and obligations amounted to 14.08 billion dirhams compared with 9.8 billion in 1980. Paid capital was raised to 300 million dirhams and the book value of the bank's assets rose from 289 million dirhams to 677.5 million. The bank's foreign currency assets grew from 7 billion dirhams in 1980 to 11.2 billion in 1981. The currency in circulation last year was 3.04 billion dirhams. The bank had projects valued at 917.5 million dirhams and a reserve of 1.61 billion dirhams in December 1981.

As for the accomplishments of the commercial banks, the Central Bank's report points out that their total assets and obligations rose from 51.9 billion dirhams in 1980 to 67.3 billion and that the deposits grew by nearly 20 percent, amounting to 32.5 billion dirhams. The private sector credit also grew by 20 percent, reaching 29.9 billion dirhams, with most of this credit resulting from the flourishing business and construction sectors.

Despite the presence of a large number of banks in the UAE, the assets and obligations of only nine of these banks exceed 1.5 billion dirhams. Among them, these nine banks perform 80 percent of the total activity of the local banks and have 70 percent of all bank deposits.

The commercial banks constitute the core of the banking system. The deposits in these banks have grown as a result of the transfer of some of the UAE oil revenues to the local commercial banks and as a result of flourishing transactions among the local banks.

Commercial banks in the UAE engage in a wide range of banking activities. However, the major part of the credit they advance goes to financing business and construction. The major and more experienced banking institutions have also become active in the European money markets.

In addition to the commercial banks, investment institutions have been founded in the UAE with the aim of filling the vacuum existing at the level of medium and long-range investments by attracting a part of the surplus monies ready to be invested abroad and diverting them to finance and internal industrialization process. The other purpose behind the founding of these institutions is to contribute to developing active capital through the shares and stocks that they issue.

So far, the activities of the major investment institutions have been confined to the local bank market and to the European money market rather than the more productive local operations. Most of these institutions have participated in managing joint loans and in bond issues.

As for banks with restricted licenses, they have been introduced recently into the banking system as an alternative to the foreign banking units in Bahrain. But so far, these banks have not yet developed an active sector, considering that only a few units out of 12 banks of the type are now operating in the UAE.

Foreign currency exchange transactions constitute an important part of the UAE financial activity. The Central Bank watches the market's movement at this level and intervenes when necessary to maintain a stable exchange rate for the dirham. The bank's intervention is carried out through two agents who supervise the money exchange operations.

No money market has developed in the UAE so far even though the authorities are studying seriously the possibility of establishing a stock market in the country. The International Finance Corporation is currently conducting a study for the UAE Central Bank to explore the resources available in the UAE for setting up a stock exchange. However, it is likely that the establishment of such a stock exchange will be delayed for a time because of the relatively backward conditions of the financial institutions and the lack of adequate information on the financial conditions and budgets of companies.

The dirham stock market is still in its infancy, even though the issuance of bonds in the market has been permitted and even though a number of the government's financial agencies have actually issued such bonds with the aim of creating a market for the exchange of these issues.

Future Financial Position

The UAE financial system, like other markets in the area, will experience a drop in its revenues due to the expected drop in government spending. In the current year, the state budget shows a deficit of \$620 million as the result of a 15 percent drop in spending based on an average oil production of 2 million barrels a day, i.e., half the daily production in 1976 and 1977.

It is expected that the Central Bank will continue to perform a growing role in the state's financial system and in protecting this system against any banking crisis through the implementation of measures that lead to strengthening the position of the national financial institutions and to establishing a sort of balance between the branches of foreign banks and national banks. It is also expected that the national banks will continue to expand and develop and to enhance the standard of their services.

As in the Arab banking sector, the UAE major national banks will continue their expansion abroad, especially in the major banking centers in the world, with some emphasis on a presence in the Asian continent.

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